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ANALYSIS OF CREDIT LINKAGES IN IRDP

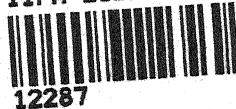
A REPORT SUBMITTED TO NABARD

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CENTRE FOR RURAL DEVELOPMENT ADMINISTRATION

THE INDIAN INSTITUTE OF PUBLIC ADMINISTRATION

INDRAPRASTHA ESTATE, RING ROAD

NEW DELHI-110002

1989

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## PREFACE

This study was expected to analyse the IRDP programme and recommend an appropriate structural mechanism to ensure smooth flow of credit in an integrated manner at the right time and place, for the right purpose.

We interviewed a number of functionaries at the district and block levels, as well as beneficiaries, to provide an insight into the problems faced at these levels. The project group also met senior officials participating in the training programmes conducted at the Institute to discuss practical aspects of the field level operations.

The report has been divided into the following chapters. The first chapter deals with objective, and the second chapter gives the profile of the six districts covered. The third chapter deals with the "Administrative Support System", bringing out a situational analysis of its current functioning. The fourth chapter deals with the "Financial Support System", i.e., the credit system. The linkages of this system to the total programme is analysed here. Chapter five deals with the "Technical Support System" -- the infrastructure, technology development etc. Chapter six deals with the beneficiary and his linkages to the system. An analysis of his responses brings into focus the severity of the problems faced by him. Chapter seven contains the findings and recommendations which emerge from the study.

I wish to thank all those who helped in the preparation of this study. First of all I express my deep gratitude to NABARD for sponsoring this study. I gratefully acknowledge the help rendered by the officials of NABARD, and officials of the Central and State Governments for all the facilities provided during our field visits and for the valuable suggestions received during the discussions. I would like to thank the bankers and the district authorities for their kind cooperation in responding to our questionnaires and for sparing their valuable time.

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The author is solely responsible for any errors or omissions.

New Delhi  
September , 1989

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# ANALYSIS OF CREDIT LINKAGES IN IRDP

## CHAPTER I

### I. INTRODUCTION

Even though the importance of spatial dimension in economic growth especially in a large country like India, was recognized as early as 60's, the process of incorporating the same in the planning process was not effective till recently. Our plans lacked regional consideration with reference to preparation, implementation and evaluation. This was because of the federal set-up and also because the plans were perceived in terms of financial allocations and physical targets of production. These led to regional imbalances and to counteract these problems, the plans were modified in the second half of the 70's. But it was seen that the latter plans also failed, since at the State level also we did not have adequate expertise and administrative machinery to translate these plans into realities.

Rural Development is one of the primary objectives of national development in India as according to 1981 census over 76 per cent of the country's population is classified as rural, residing in more than 0.5 million villages. Out of the estimated 20.74 million persons unemployed (on daily basis) in 1980, 54.9 per cent were accounted for by rural agricultural labour. Other rural landless households constitute 21.2 per cent of the total population.

Uneconomic size of holdings, excessive pressure on agriculture, limited productivity, lack of resources and work opportunities, and other inherent limitations have led to the breakdown of rural economy. The village and cottage industries are also fast declining due to severe constraints on their improvement and upgradation, competition from the organized sector, and lack of backup support of raw material supply and marketing. Similar is the position of artisans engaged in rural services. Forced by underemployment or unemployment, they are migrating to the industrial towns and cities in search of jobs and means of livelihood. The socio-economic condition of tribals, of people living in remote areas and of small fishermen, are no better and a majority of them subsist below the poverty line.

To tackle the problems of rural India, a number of schemes were introduced from time to time by the Central and State Governments. These schemes due to their limited nature and scope did not provide long range solutions. Because of the peculiar conditions and needs of different sub-regions, districts, development blocks or villages the approach had to be specific for each region. Even in cases where the regional framework for resource development was identified, there was under-development partly due to topographical setting and resource characteristics; therefore, all plans failed miserably in achieving the final objectives of rural development. Many of the rural poor farmers, artisans and landless individuals did not benefit from our plans and projects. In 1979-80, it was estimated that 51% of the population was below the poverty line which corresponded to a consumer expenditure of Rs. 76 per capita per month in rural areas and Rs. 88 in urban areas.

The plight of weaker sections of society became more and more alarming as they continued to be constrained by their economic backwardness, inadequacy of resources and inaccessibility to opportunities. While their purchasing power remained stagnant, they even failed to articulate their demands for minimum needs of life. Due to the inherent nature of tolerance and little bargaining power, they were prone to exploitation and bondage. Therefore, in the Sixth Five Year plan, special programmes for poverty alleviation were implemented through the Integrated Rural Development Projects. These programmes directly dealt with individuals concerned and the strategy was to channelise the benefits to the rural people. This beneficiary-oriented approach was linked with the flow of money to the beneficiaries.

As we all know finance is one of the major factors in the process of development and credit for implementing these poverty alleviation programmes came from our financial system. District credit plans which were also formulated to synchronize with the district development plans, had IRDP as an important component.

The District Credit Plans were meant to help the banks to deploy their resources according to national priorities. Guidelines had been issued by the Reserve Bank of India for the preparation of district credit plans under the lead bank scheme. They had been formulated keeping in view the experience gained and suggestions received from various quarters like NIBM, ARDC etc. With the introduction of the Integrated Rural Development Programme in 1980 in the whole country, the district credit plans

had to take into account the special aspects of this poverty alleviation programme.

The RBI has issued detailed guidelines indicating, among others, the objectives, contents, methodology for estimation of credit needs, modalities to be followed, fixation of responsibilities for implementing different items of work. It has stressed in the guidelines that due care should be taken to align the credit plan with the credit-based development schemes, on-going and potential, operating in the district. It was expected that the District Development Plans and the District Credit Plans will be comprehensive encompassing all schemes in all sectors, including those under the 20 Point Economic Programmes and covering all credit agencies like commercial banks, cooperative banks and state financial corporations.

The various state governments tried to reorganize their development administration by decentralizing the authority and vesting the overall responsibilities and control at the district level. District and block plans were to be based on the availability of local resources and they should envisage the amount of credit required for implementation. The sectoral plans developed by different sectors were to be integrated to arrive at an homogeneous plan. The amount of credit and its availability should be taken into account while developing financial and physical targets. The importance of the role expected to be played by each organisation in the implementation process was spelt out. At one end RBI had been issuing guidelines to the bankers about the methodology of estimating the credit amount, modalities to be followed in disbursing and about fixation of responsibilities for implementation. At the other end, the governments were issuing guidelines to their development officials about different programmes and the modalities to implement the same. The idea was that both these two sets of officials/organisations will have to meet at the district/block level to establish a proper linkage among themselves so that the implementation process becomes easier. The efforts of both the groups can become infructuous if there is no coordination; but with cooperation and coordination among the different groups, real asset formation and income generation leading to the upliftment of the poor and total economic improvement were envisaged.

The DCP was expected to cover programmes initiated or formulated by district development agencies for which the responsibility for implementation rested on them. With the shift in the emphasis to the block as an unit of planning the need for

block level credit planning and adoption of blocks as the focal-points became necessary and accordingly it was envisaged in the new guidelines that credit outlay in the DCP should be linked not merely to sectoral schemes and bank branches but also the block development plans.

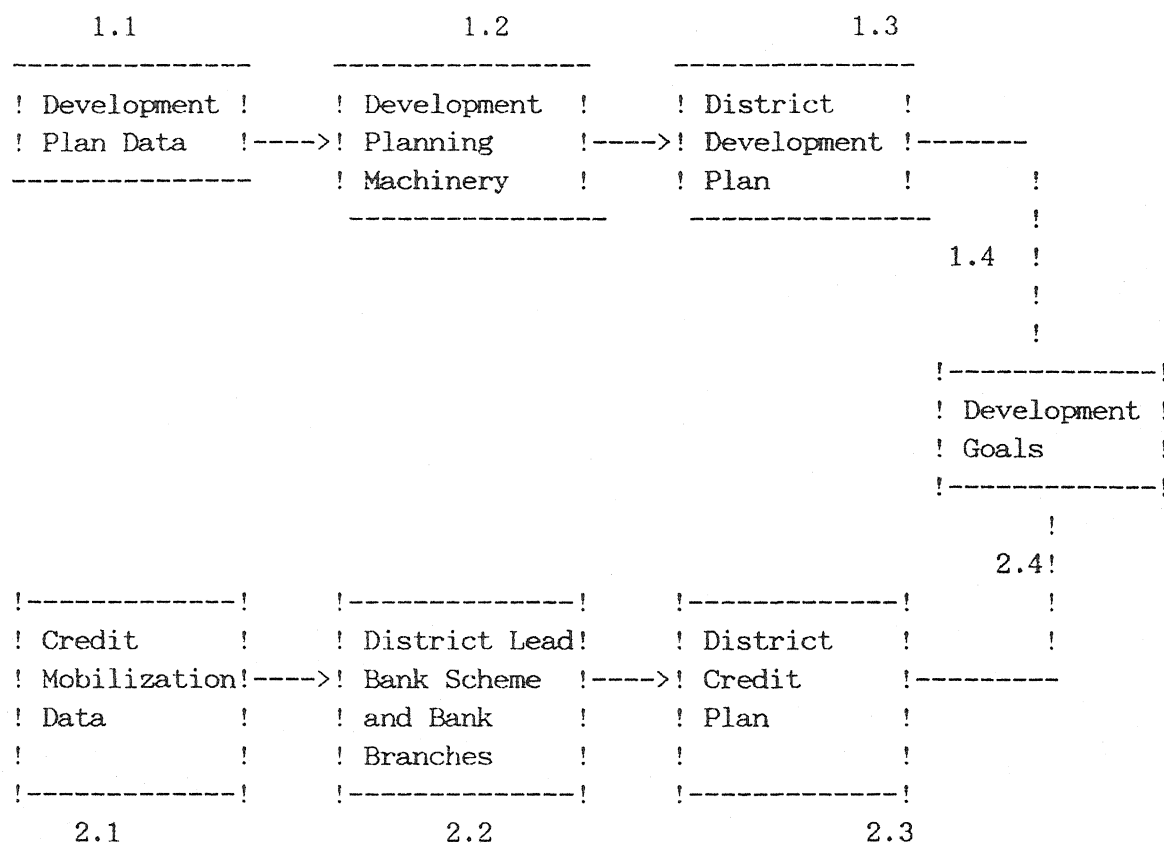
This study "Analysis of Credit Linkages in "IRD" was undertaken by the IIPA to find out up to what extent this coordination has been effective. The objective of the present study is to critically evaluate the linkages of Block Development Plans under the IRD Scheme to the District Credit Plans under the lead Bank Scheme.

It was seen that operating system at the field level has to integrate 3 different functions and these are (i) technical support function, (ii) administrative support function and (iii) the financial support function. In reality these functions are performed by three different organizational structures. They are:

- (1) The technical support function which vests in the State departments of agriculture, irrigation, animal husbandry and the District Industries centres (for non-farm activities) Functional Organisation.
- (2) The administrative support function which vests in the block level administration under the supervision of the District Rural Development Agencies-Divisional Structure.
- (3) The financial support function which vests in the branch network of the banking system and the individual bank organisations. In reality, within the banking organisations there are different organisational structures.

While the first two have to identify viable projects and support them with infrastructural facilities, the responsibility for providing timely and adequate finance squarely vests with the banking system. The acceptance of this responsibility on a mutually agreed basis and reflection of this agreement in the Annual Action Plans and the District Credit Plan was considered a necessary pre-requisite for successful implementation.

In our study, the emphasis was not on the measurement of productivity of the investment but on the effectiveness of credit linkages. The linkages based on the interaction of the operating system are shown below:



The horizontal part (both rows) of the above system is perhaps well monitored, but how to monitor the vertical linkages in the above system? Our study aims to develop a monitoring system while classifying the weaknesses in the system as:

1. Organizational gaps
2. Data base inadequacies
3. Different types of system failures

The operational study was conducted with a view to complete a systems analysis, which attempted:

- (i) To study the practical problems faced in providing effective linkages.
- (ii) To identify the main bottleneck-administrative, legal and procedural-that had impeded the implementation of DCPs and effective integration with development plans under IRD.
- (iii) To suggest methods for improving the linkages to obtain an effective delivery system. What should be done to restructure them in such a way that expected results can be achieved.

- (iv) To restructure the linkage of district credit plan with the block development plan in such a way as to ensure automatic flow of credit to beneficiaries under viable schemes.
- (v) To identify the correlation if any, between the success of investments in IRDP and the infrastructure availability.

### III. METHODOLOGY

The above study was taken up for 6 selected districts with the support of NABARD and concerned DRDAs and lead banks. The required information about preparation and implementation of DCPs and its linkage to development plans was collected and studied from Official Documents of banks and State Governments. They were supplemented by discussions with various concerned agencies (DRDA) and officials (BDO's, Branch Managers of Commercial Banks, and Lead Banks Officers). Mostly interview method was used with an open ended questionnaire to bring out their perceptions and comments. Selected beneficiaries were also interviewed to understand their experiences with reference to their interaction with the three operating systems.

- IV. An attempt was also made to cover one good and another not so good district so as to enable us to evaluate the reasons for success/failure of the linkage between:
  - (i) the District Credit plans and the District Development plans;
  - (ii) the IRDP beneficiaries and the three operating functions and;
  - (iii) the IRDP programmes and infrastructure availability.

Analysis were done to find out:

- (1) The linkage between DCP &DDP how to establish it if it is inadequate.
- (2) When the linkage between DCP and DDP is available but the programme did not take off due to failure of operating systems - How to rectify it.
- (3) When the linkage between DCP and DDP is available and the operating system is also adequate but the infrastructure is not available to give a fillip to investments. -What to do?



### SAMPLING AND COVERAGE:

- (1) In the Study "Analysis of Credit linkages in IRDP", we have taken up for our study the three States viz., Karnataka, Orissa and West Bengal. In each State we have studied two districts, covering totally six districts. Approximately, we have covered about 60 blocks, interviewed 60 Block Development Officers, and about 240 bank-branch managers. The list of Blocks and Banks covered in this study is given at the end of this chapter.
- (2) The three States Karnataka, Orissa and West Bengal have different climatic and demographic conditions. Therefore the implementation of the IRD programme is expected to be through different schemes which are location-specific. The six districts are so chosen as to give us an wide spectrum of the problems in the implementation process. In Karnataka, Tumkur was selected since according to the officials of the Rural Development Ministry of Karnataka it is one of the districts where IRD programme runs very smoothly because of better coordination and dialogue between different officials. Another district in Karnataka was Mysore. In Orissa, we selected Puri near sea shore and Ganjam, in the interior. In West Bengal, Nadia in the plains and Darjeeling is a hilly district were selected.
- (3) In each block we have covered four bankers; that is, we have tried to collect data from 40 bankers including the lead bank for each district. But in the actual process, we could collect data only from 167 (list-I) bankers viz., 22 from Ganjam, 36 from Puri, 31 from Nadia, 18 from Darjeeling, 29 from Tumkur and 31 from Mysore. The bankers request questionnaires (Annexure-I) were analysed by coding and tabulating them with the use of computers. We used the SPSS package for the computer work. We have coded the information collected from bankers in three cards. The first card was the information about the awareness of developmental plans, their preparation, the agencies involved in preparing them, coordination between different departments in implementing and monitoring the programmes. The information about the availability of infrastructural facilities for the schemes and the responsibility of providing them are also included in the first card. It also includes the answers about the household Survey, identification of the beneficiaries and bankers participation in these aspects.

In the second card we have the information about time taken for loan sanction, installment fixation, number of certificates required bankers meeting the beneficiaries, and educating them about the schemes, coordination between bankers and their higher

authorities, and bankers, and Block Development Officers and DRDA, bankers' problems in implementing and monitoring the programmes, condition of recovery and finally their suggestions to improve the present system of functioning.

In the third card we have information about staff problems, i.e. their strength, work load, powers, training interpersonal relationship, guidelines from higher authorities, problems in dealing with IRDP as such, and beneficiaries.

(3) The block development officers were interviewed with an open ended questionnaire, (Annexure-II) which served as a guide, to ask the relevant questions. In all we were able to interview 58 block development officers and five project officials from DRDA. (List attached)

ORISSA	WEST BENGAL	KARNATAKA
GANJAM	NADIA	TUMKUR
9	10	10
PURI	DARGEELING	MYSORE
10	9	10
Total 19	19	20 = 58

(5) We have also analysed (Chapter VI) the different problems faced by the beneficiaries and his attitude towards the whole system. As a part of this chapter, we have analysed the different problems of each scheme in different States. The same scheme in different states may face same or different problems and it may also happen that different schemes in the same state may also face same or different problems. In order to evaluate these location-specific and scheme-specific problems, a special statistical analysis (Chi-square test) is done on the data collected from beneficiaries; we stressed on problems in selecting the scheme, in acquiring the asset, in maintaining the assets and regarding the support systems such as markets, roads, hospitals, raw materials training etc.

(6) Finally, the two questionnaires were used to interview and elicit the views of participants of Rural Development conducted courses at the Institute. Most of the participants were from the development departments of various states, lead bank officers,

commercial bankers etc. In the village study - tour undertaken by the participants of the APPPA programme (Advanced Professional Programme in Public Administration) of the Institute these questionnaires were again used to find out the real situation in the other rural villages with reference to these programmes. These answers were also analysed to find the general attitude and views in other States, and these results are also compared with our study results.

The final chapter gives our conclusions and recommendations with reference to how to establish the linkages between programmes and credit, especially with reference to IRDP.

#### LIST OF BLOCKS COVERED IN THE STUDY

DISTRICT	NAME OF THE BLOCKS	COMPUTER CODE
1. Ganjam	Chatharpur	01
	Digapoandi	02
	Ganjam	03
	Hinjalicut	04
	Kabi Suryanagar	05
	Khallikote	06
	Kodala	07
	Kukda Khandi	08
	Purshottampur	09
	Saragada	10
2. Puri	Balianta	11
	Bhubneshwar	12
	Brahamgiri	13
	Delang	14
	Jatni	15
	Kanas	16
	Nimapara	17
	Pipli	18
	Purisadar	19
	Sakshigopal	20

DISTRICT	NAME OF THE BLOCKS	COMPUTER CODE
3. Nadia	Chapra	21
	Hanskhali	22
	Karimpur	23
	Krishnanagar I	24
	Krishnanagar II	25
	Krishnaganj	26
	Ranaghat I	27
	Ranaghat II	28
	Shantipur	29
	Tohatto	30
4. Darjeeling	Bijanbari	31
	Gorubatham	32
	Kalimpong I	33
	Kalimpong II	34
	Khori-bari Phansideva	35
	Kurseong	36
	Naxalbari	37
	Mirik	38
	Sukhiapokhri	39
	Taqdar	40
5. Tumkur	C.N. Halli	41
	Gubbi	42
	Kortagera	43
	Kunegal	44
	Madhugiri	45
	Pavagada	46
	Sira	47
	Tiptur	48
	Tumkur	49
	Turve Kere	50
6. Mysore	Chamraj Nagar	51
	H.D. Kote	52
	Hunsur	53
	Kollegal	54
	Krishnaraj Nagar	55
	Mysore	56
	Nanjungud	57
	Periya Patna	58
	T. Narasipur	59
	Yellandur	60

## LIST OF BANKS COVERED IN THE STUDY

NAME OF BANKS	COMPUTER CODE	NO OF BRANCHES
Allabahad Bank		01
Andhra Bank		02
Bank of Baroda		03
Canara Bank		04
Cauvery Grameen Bank		05
Central Bank of India		06
Indian Overseas Bank		07
Kalpataru Grameena Bank		08
Karnataka Bank		09
Nadia Grameena Bank		10
New Bank of India		11
Punjab National Bank		12
Puri Grameena Bank		13
Rasikulya Grameena Bank		14
State Bank of India		15
State Bank of Mysore		16
Syndicate Bank		17
Uttar Banga Khetriya Grameena Bank		18
United Commercial Bank		19
Union Bank of India		20
United Bank of India		21
Vijaya Bank		22
Vysya Bank		23
District Central Cooperative Bank		24

## CHAPTER II

### PROFILES OF THE DISTRICTS COVERED IN THE STUDY

In this study, we have covered six districts from 3 States, viz., Karnataka, Orissa and West Bengal. The profiles of the districts covered in the Study is given along with the number of banks, blocks and CD ratio of the Banks.

#### KARNATAKA DISTRICT PROFILE - TUMKUR

Tumkur district is situated in the East Central part of southern region of Karnataka State. It is surrounded on the North by Anantapur district of Andhra Pradesh, on the East by Kolar and Bangalore district on the South by Mandya district, and on the west by Chitradurga district, Chikkamagalore and Hassan of Andhra Pradesh. Tumkur is one of the backward districts having no perennial source of water. There are quite a few small rivers which carry water only during the rainy seasons. Owing to adverse seasonal conditions prevailing in the district, it is considered to be a backward district.

The area of the district is 4,073.7 Sq. miles or 10,550 sq. kms. It is a land-locked district. It is generally open tract except in the south of the Kungul taluk where the country is vegetated with forest species and is also having hilly terrains; the remaining parts of the district is consisting mainly of the undulating plains, inter-spersed with clumps of tall and well-grown trees.

The average rainfall in the district is 687.9mm. It is mostly confined to the period from May to November.

The soils in the district are generally hard and poor with the exception of lands irrigated by tanks, Nalas, Springs and channels which are fertile. The red soil which is known as ragi soil is common in the southern and western taluks and black soil is found to some extent in the Northern taluks, while sandy soil is common in the eastern tracts.

Ragi is the main crop followed by paddy, jowar, pulses, and groundnut, commercial crops like coconut and Arecanut are also grown in significant proportion.

Tumkur district consists of ten taluks and three revenue subdivisions with their head quarters at Tumkur, Madugiri and Tiptur. There are 2,725 villages of which 2,452 are inhabited. The total population according to 1981 census 19,77,854.

The district has got good surface transport mobility. It has a Road length of 5298km. and Railways length of 98.05 km. The number of post offices are 564 and telephone exchanges are 112. There are 18 regulated markets and sub-markets in the district, all the taluks in the district are provided with the facility of regulated markets.

There are 108 commercial Banks, 30 Cooperative Banks and 10 P.L.D. Banks. Further there are 1239 Cooperative Societies and 242 Agricultural credit Cooperative societies. The total membership in the cooperative field is 25,1436.

The total villages electrified in the district is 2389, out of which 12 towns, 1719 villages and 658 are lauplet villages. There are two hospitals in the district. One at Tumkur and another at Tiptur and 21 Ayurvedic and other institutions are functioning. 19 primary health Centres, 76 primary health units and 22 family welfare centres are serving the people. There are in all 94 veterinary dispensaries including RVDS. The district also has 3 mobile clinics for attending emergency/outbreaks of Epidemics.

The district has 2004 lower primary Schools, 747 higher primary Schools 1818 high schools, 11 professional and Special Education institutions. It also has two Engineering Colleges run by private management.

No. of Banks, and the population distribution in the blocks of Tumkur is given below:

TUMKUR

Blocks	No. of Banks in the distt.	Total Popu- lation	Rural Popu- lation	Urban Popu- lation	Area in Sq. Km.	Population covered by one branch	Area covered by one branch Sq. Km.	
1. Tumkur	22	334216	225546	108670	1065.200	15191.636	48.4182	
2. Kunigal	22	208627	190551	18076	977.750	9483.045	44.4432	
3. Gubbi	22	199930	188263	11667	1221.000	9087.727	55.5000	
4. C.N. Hall	17	171770	156174	15596	1114.600	10104.118	65.5647	
5. Turuvekere	18	148102	136070	12032	783.200	8227.889	43.5111	
6. Tiptur	18	175134	144666	30468	780.170	9729.667	43.3428	
7. Madhugiri	16	214269	196187	18082	1126.080	13391.813	70.3800	
8. Pavagada	15	183583	161640	21943	1363.200	12238.867	90.8800	
9. Sira	20	214279	186614	27665	1545.340	10713.950	77.2670	
10. Koratagere	13	127944	119859	8085	649.500	9841.846	49.9615	
	183	1977854			10626.040	10807.945	58.0658	Mean
Source: AAP 1985 Tumkur district.					S.D.	2047.2	15.57	



## DISTRICT PROFILE - MYSORE

Mysore district is situated in the southern part of Karnataka state. It is bounded by Tamil Nadu on the east, west by Coorg district, north by Hassan, Mandya and Bangalore districts and south by parts of Tamil Nadu. Area of the districts is 11.94 sq. km. i.e. 6.2% of the total area of the state and ranks 4th in the size among the districts in size.

It consists of 11 taluks, 13 towns, 1641 habited and 194 uninhabited villages. Biggest taluk is Kollegal and smallest is Yellandur which are adjacent to each other. Two major rivers Cauvery and kabini flow in the district. Considerable area falls under forest. Rainfall is 761.9 mm. per annum. District can be divided into 3 zones, western, central and Eastern.

Western Zone:- consists of periyapatna Hunsur, H.D. Kote and Gundulpet taluks and are close to western ghat. Cauvery's origin is at Coorg and it flows through periyapatna. Kabinis origin is wyanad and it enters the district through H.D. Kote. There are good potential lift for irrigation. Considerable area is under forest. The soils of H.D. Kote and periyapatna are gravely and sandy loans. The main crops are Maize and Tobacco. Cultivable area is 32.9% (below state average at 38.10%). Density of population 121.25 persons per sq. km. and is below the district average of 174 persons per sq. km.

Industrially it is backward due to good return on tobacco. Due to DIC's effort small industries are coming up in Hunsur Taluk. There are 48 branches of commercial and Cauvery Grameena Banks (RRB). No railway track is passing through this zone.

Central Zone:- K.R. Nagar, Mysore, Nanjangud. Total are is 2,42,257 hectares representing 59.42% of district area. K.R. Nagar and Nanjangud taluks are well irrigated.

Main crops are paddy, Sugarcane and mulberry. Most of the industries are in Mysore taluk. Density of population is 369.33 persons per sq. km., which is considered highest in the district. 128 branches of commercial and Cauvery Grameena Banks are operating. 106 sq. km. length of railway line is passing through this zone. One sugar factory in Co-operative sector has been established at kuppe of K.R. Nagar taluk.

Eastern Zone:- Biggest of all the 3 zones, consists of ChamaraJanagar, T.Narasipur, Yelandur and Kollegal taluks. 33.09% of the land is cultivated, which is served by Cauvery and kabini rivers. Paddy is grown extensively in T. Narasipur besides Mulbery. Mulbery is the main crop in other 3 taluks. Kollegal is famous for silk. A number of private silk reeling units have been established. There are 59 Bank branches of commercial and RRB's. There is a shorts railway track covering 64 kms.

Population:- According to the 1981 Census the total population is 25,95,900, urban 7,11,567, Rural 18,84,333. Density of population 216.23 per sq. km.

Distribution - Agriculture 54261, SF/MF, Rural Artisans - 16480 (families). Main rural industry is bamboo based. There are number of inlay work artisans. District is industrially backward. The main food crops of the district are Ragi, Jowar and Paddy. Cashcrops are - VFC Tobacco, Varalakshmi cotton and sugar cane. Major portion of Mulberry crop is grown under rainfed conditions.

All taluks and all trading centres outside the district are well connected by roads. Out of 1593 inhabited villages 1410 villages have road facilities. Major portion of road length has been nationalised and Bus facilities are satisfactory.

Water:- K.R. Sagar has got adequate storage capacity of 35 TMC ft. situated at 23 kms away from Mysore. Water table is fairly at a higher level in the district for Najangud industrial area, kabini river meets the requirement.

Marketing:- Regulated markets in Mysore, K.R. Nagar, Hunsur, kollegal, ChamaraJawapur and Nanjangud have been established. Weekly shandics are held in all the 11 taluks. Godowns have been constructed at Mysore, kollegal and other centres. Taluk Agricultural cultural produce Marketing Societies have been established in all the taluks to produce/sell food grains. However, there is need for augmenting storage facilities.

Banking:- There has been a steady growth of bank branches in the district. As at the end of December, 1984 there were 162 branches of commercial Bank, 73 branches of Regional Rural Bank, 17 branches of District Co-operative Central Banks and 11 Primary Land Development Banks.

Animal Husbandry:- Mysore district has 16,05,490 live stock and 25,94,584 poultry population. There are about 90 veterinary hospitals established in the district.

Fisheries:- Mysore District has abundant fisheries potential with 293 major tanks, 840 minor tanks and 5 reservoirs. The district is having three fish farms at kabini, Nugu and Gundul and there are about 7900 active fishermen. 14 fisheries Co-operative societies have been established and there are operating in all taluks including Mysore city except in Yellandure.

Sericulture:- Sericulture, i.e., cultivation of mulberry plants, rearing of cocoons and reeling of silk is a major activity in seven of the eleven taluks. 5200 Hectors are covered under mulberry cultivation in the district.

Government silk farms are functioning at Horalahalli, Mugur, Thandavapura, Nanjangud, Chamarajanagar, Mangala, Kuderu, Mundigundam, B.R. Hills, Dharmapura, Kaggundi, Veeredevanapura. All these farms are producing exotic race seed cocoons viz. Bivoltine.

Education:- The total number of high schools in the district is 165, higher primary schools 697, lower primary schools 1818 and Nursery schools 365. Schools for professional and special education including T.T.I. - 31, Polytechnic and Engineering Schools 2, Colleges (General Professional and Research & Technical) 41 and one university.

No. of Banks and population distribution in the various blocks of Mysore is given below. District-wise, bank-wise, credit deposit ratio is also given in a table form.

## MYSORE

Blocks	No. of Banks in the dist.	Total Popu- lation	Rural Popu- lation	Urban Popu- lation	Area in Sq. Km.	Population covered by one branch	Area covered by one branch Sq. Km.
1. Chamara.jnagar	23	273317	232895	40422	1228.400	11883.348	53.4087
2. H.D. Kote	16	173071	159374	13697	1630.730	10816.938	101.9206
3. Humsur	15	179359	151632	27727	888.310	11957.267	59.2207
4. Kollegal	23	264627	228518	36109	2787.240	11505.522	121.1843
5. K.R. Nagar	15	183818	164958	18860	592.100	12254.533	39.4733
6. Nanjangud	24	270920	235981	34939	994.380	11288.333	41.4325
7. Periyapatna	14	155094	145055	10039	820.250	11078.143	58.5893
8. T. Narsipur	20	220336	196318	24018	591.760	11016.800	29.5880
9. Yellandur	7	61375	54665	6710	268.870	8767.857	38.4100
10. Mysore	16	645104	166023	47981	810.000	40319.000	50.6250
		10612.040		14088.794		Mean 59.38	

Source: AAP 1985 Mysore District.

S.D. 8791.14 27.91 S.D.

$$Z = \frac{\bar{x} - x}{S.D.}$$

## DISTRICT-WISE, BANK-WISE, CREDIT DEPOSIT RATIO

## KARNATAKA

District	Block	Advances	Deposits	C.D. Ratio
<u>Code 04 Canara Bank</u>				
Tumkur	Kunigal	90,00,000	1,31,00,000	0.69
	Pavagada	54,00,000	70,00,000	0.77
Mysore	Hunsur	79,00,000	79,00,000	1.00
<u>Code 05 Cauvery Grammeena Bank</u>				
Mysore	Mysore	15,00,000	7,00,000	2.14
	Periyapatna	58,62,000	16,08,000	3.65
	Yellandur	3,03,00,000	3,70,00,000	0.82
<u>Code 07 Indian Overseas Bank</u>				
Tumkur	Kunigal	46,34,000	31,78,000	1.46
	Tumkur	38,97,336	40,03,802	0.97
<u>Code 08 Kalpataru Grammeena Bank</u>				
Tumkur	Gubbi	854	3,036	0.28
	Korategere	6,33,436	3,01,668	2.10
	Tumkur	8,50,000	1,10,000	7.73
	Pavagada	14,00,000	3,16,000	4.43
	Sira	7,80,000	2,79,000	2.80
	C.N. Hall	75,000	1,20,000	.62
<u>Code 09 Karnataka Bank</u>				
Tumkur	Gubbi	1,691	4,390	0.39
	Madhugiri	43,17,959	1,22,19,328	0.35
	Pavagada	13,00,000	16,00,000	0.81
	C.N. Hall	8,000	12,000	.66
<u>Code 15 State Bank of India</u>				
Tumkur	Tiptur	3,508	1,729	2.03
	Korategere	33,16,000	16,86,000	1.97
Mysore	K.R. Nagar	8,00,000	12,00,000	0.67

District	Block	Advances	Deposits	C.D. Ratio
<u>Code 16 State Bank of Mysore</u>				
Tumkur	Gubbi	71,29,000	1,54,19,000	0.46
	Koratagere	8,237	3,558	2.32
	Madhugiri	5,955	17,531	0.34
	Sira	35,00,000	92,00,000	0.38
	Turuvekere	64,00,000	1,39,00,000	0.46
	Pavagada	3,897	13,200	0.30
	Kunigal	7,549	15,464	0.49
	Tumkur	6,792	8,426	0.81
Mysore	H.D. Kote	120	171	0.70
	Hunsur	31,246	4,875	6.41
	Nanjungud	2,20,200	2,25,000	0.98
	T. Narsipur	1,12,000	1,27,000	0.88
	Mysore	1,84,800	2,20,000	0.84
<u>Code 17 Syndicate Bank</u>				
Tumkur	Kunigal	30,00,000	20,00,000	1.50
Mysore	Chamarajanagar	2,70,00,000	2,75,00,000	0.98
	Mysore	1,42,00,000	4,85,00,000	0.29
<u>Code 20 Union Bank of India</u>				
Mysore	Yellandur	5,371	4,138	1.30
<u>Code 22 Vijya Bank</u>				
Mysore	Chamaraja Nagar	42,11,748	1,06,71,562	0.39
	H. D Khote	38,90,764	65,51,732	0.59
<u>Code 23 Vyasa Bank</u>				
Tumkur	Tiptur	1,64,00,000	2,30,00,000	0.71
Mysore	Nanjungudi	15,40,000	16,33,000	0.94
	T. Narsipur	37,31,000	86,87,000	0.43
	Kollegal	60,00,000	1,18,00,000	0.51
	Pavagada	28,750	25,000	1.15

### ORISSA - PURI DISTRICT - A PROFILE

Puri is one of the coastal district of Orissa with an area of 10182 square kms with a population of 2921095 as per 1981 Census. It is located in the coastal track between 100,20'(N) and 20035'(N) latitude and between 84029'(E) and 86025'longitude. It is bounded on the north by Cuttack and Dhenkanal district and on the south by Ganjam and Phulbani district and in the east by the Bay of Bengal. The district provided a golden triangle (tourist spot) consisting of Puri, Konark and Bhubaneswar having a tremendous attraction of tourists through out the globe. Puri, the district head quarters is itself a great tourist attraction being situated on the Bay of Bengal and its golden sea beach is supposed to be one of the best and famous for being a pilgrimage centre for "LORD JAGANNATH TEMPLE" and health resort. Bhubaneswar in Puri district is the state capital and a place of religion and of architectural importance.

Konark, the Block Pagoda is linked with Puri by 20 kms. long Marine Drive Stretch which attracts tourists.

The climate of Puri district is equable temperature all the year round while the inland hilly tracts the climate is little bit drier with high temperature in the hot months and slightly cooler in winter.

The average rainfall in the district is 1500 m.m. with 80 to 90 rainy days in a year.

According to 1981 census the population of Puri district is 2921095. The break up of population is furnished here under:

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1.	(a)	Total population	-	2921045
	(b)	Rural population	-	2488966
	(c)	Urban population	-	432079
2.	(a)	Total Scheduled Caste	-	377546
	(b)	Rural population	-	341045
	(c)	Urban population	-	36501
3.	(a)	Total Scheduled Tribes	-	100827
	(b)	Rural population	-	92167
	(c)	Urban population	-	8660

---

The density of population of the district is 287 per sq. km. as against the state Orissa Figure 169 per sq. kilometer.

According to 1981 Census No. of Sub-divisions is - 4, No. of municipality - 2, Tahasils - 12, No. of Towns - 8, No. of Police Stations - 29, No. of Blocks - 29, No. of Gram Panchayats - 374 and inhabited villages 4600.

This district Total No. of Bank branches - 208.

According to the 1983-85 A.A.P. number of animals is:-

---

Cattle	-	1388586
Buffaloes	-	94216
Sheep	-	138000
Goat	-	207480
Hourses and Ponies	-	1810
Pigs	-	1902
Poultry	-	450185

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PROGRAMME OF I.R.D. IN THE DISTRICT A.A.P. 1982-83:

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	Target	Achievement
1. Minor irrigation	84.98	65.56
2. Agriculture	12.65	5.80
3. Animal Husbandry	26.96	25.27
4. Fishery	25.58	8.54
5. Village Industry	36.67	44488
6. Infrastructure and others	19.14	32.16
TOTAL	205.98	182.21 (88.46%)

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The infrastructure support for implementation of I.R.D.P. would be provided by Agencies operating in the field. In the formulation of state plans, it is expected that requirements of I.R.D.P. would be given due consideration and infrastructure will be adequately expanded and strengthened to meet the need of I.R.D.P.

No. of Banks and Population distribution in the blocks of Puri district is given below:



## PURI DISTRICT (1983 APP)

Blocks	No. of Banks in the distt.	Total Popu- lation	Rural Popu- lation	Urban Popu- lation	Area in Sq. Km.	Population covered by one branch	Area covered by one branch Sq. Km.
1. Baliana	8	84463	84463	-	126.900	10557.875	15.8625
2. Bhubaneshwar	24	233033	13822	219211	676.200	9709.708	28.1750
3. Brhamagiri	5	88340	88340	-	578.510	17668.000	115.7020
4. Delang	6	93179	93179	-	125.367	15529.833	20.8944
5. Jatne	8	97196	55441	41755	132.100	12149.500	16.5125
6. Kanas	5	94795	94795	-	130.344	18959.200	26.0688
7. Nimapara	6	147518	136112	11406	490.850	24586.300	70.1214
8. Pipli	7	104840	96101	8739	120.266	14977.143	17.1808
9. Puri Sadar	15	194594	93652	100942	459.500	12973.267	30.6333
10. Sakshi Gopal (Satyabadi)	5	81505	81505	-	380.125	16301.200	76.0250
	89	1219468			3220.1615	15341.20 mean	41.717 mea

Source: AAP 1983-85, Puri District.

S.D. 4188.71 32.168 S.

## GANJAM DISTRICT - A PROFILE

Ganjam district is among the forerunners in Orissa in terms of agricultural and industrial activity, it is well known for its handicrafts and other Forest products. The district has made impressive growth in the recent years in various economic spheres. Ganjam district is also equally well placed in education research coupled with technical know how yielding best results.

Ganjam is one of the three largest districts of the state. The district is bounded by Boudh Khandhamals popularly known as Phulbani and puri district in the north. Srikakulam District of Andhra Pradesh in the south, Boudh Khandhamals and Koraput District in the West and Bay of Bengal and Puri districts in the East. The Maximum Temperature of Ganjam is 30.6°C and minimum temperature is 23.1°C. While the mean temperature was recorded the normal rainfall in the district is 118.92 C.M. While the average rainfall recorded during (1982) was 107.17 C.M. About 46.63 per cent of the total Reporting area of district was under forests during 1983-84. The total area according to A.N.P. in the district was 12556 in (Sq.km.s) in 1983-84. According to A.A.P. the classification of Total area is:-

Number of villages	-	4757
Number of inhabited villages	-	4223
Number of uninhabited villages	-	534
Number of Tahasils	-	13
Number of G.Ps	-	408
Number of sub division	-	4
Number of Municipalities	-	2
Number of notified area councils	-	18
Number of Blocks	-	29

The classification of the land use in the district during this period was as under:-

According to 1981 census the population of Ganjam district is 26,69,899 according to this census the urban population is 3,80,389 and rural population is 22,89,510. In the total population of Ganjam district 46,181 belonged to scheduled caste and S.T. population in urban area is 2,259, the density of population is 211 (per Sq. Km.).

Classification of the Area	Area in Hectors	Percentage
1. Forest	569	46.63%
2. Barren uncultivable land	5	0.40%
3. Land put to Non-agricultural use	58	4.80%
4. Miscellaneous Tree Crops and groves not included in the net area shown	30	2.45%
5. Permanent pastures and other grazing lands.	38	3.11%
6. Cultivable waste	5	0.40%
7. Other Fallow land	5	0.40%
8. Current Fallow land	10	0.81%
9. Net area shown (i) irrigated	211	22.22%
(ii) unirrigated	229	18.78%
	1220	100.00%

Literacy in the Ganjam as per 1981 census is percentage of Literacy in General 30.78 in the general literacy the percentage of male literacy is 45.15 and number of female literacy is 16.87. The total number of urban literacy is 51.69 and rural literacy is 27.29. According to 1981-82 census the total number of colleges are 17 and total number of schools are 3650.

There are many Banks in Ganjam district the total number of commercial banks are 15, Number of regional rural banks are 1 and total number of co-operative banks are 2.

According to live stock census the total number of cattle was 1079, 142 Bullocks, 90 Sheeps, 248 Goats, 505 Poultry and others was 22.

No. of Banks and population distribution in the blocks of Ganjam district is given below. District-wise, bank-wise credit deposit ratio is also given in table below:

## GANJAM

Blocks	No. of Banks in the distt.	Total Popu- lation	Rural Popu- lation	Urban Popu- lation	Area in Sq. Km.	Population covered by one branch	Area covered by one branch Sq. Km.
1. Chatrapur	11	78108	63966	14142	141.175	7100.727	12.8341
2. Digapondi	4	113071	105218	7853	533.550	28267.750	133.3875
3. Ganjam	6	60248	44477	15768	141.175	10041.333	23.5292
4. Hinjilicut	5	92655	78895	18760	105.225	18531.000	21.0450
5. Kavisuryanagar	8	71340	59474	11886	105.225	8917.500	13.1531
6. Khalikete	6	100244	87734	8340	141.175	16707.333	23.5292
7. Kodals	3	95800	87268	8532	321.200	31933.333	107.0667
8. Kukudakhandi	3	89743	89743	-	216.800	29914.333	72.2667
9. Purushothampur	5	98327	87588	10739	141.175	19665.400	28.2350
10. Saragada	4	81106	81106	-	236.850	20276.500	59.2125
	55	880642			2083.550	19135.52 mean	49.429 mean

Source: AAP 1984 Ganjam District.

S.D. 8385.45

40.30 S.D.

## ORISSA

## DISTRICT-WISE, BANK-WISE, CREDIT DEPOSIT RATIO

District	Block	Advances	Deposits	C.D. Ratio
<u>Code 01 Allahabad Bank</u>				
Ganjam	Khalikote	18,95,000	12,39,000	1.53
<u>Code 02 Andhra Bank</u>				
Puri	Jatni	45,86,000	90,86,000	0.50
Ganjam	Chatrapur	15,86,000	99,54,000	0.16
	Ganjam	14,87,000	32,75,000	0.45
<u>Code 07 Indian Overseas Bank</u>				
Ganjam	Kukudakhandi	26,00,000	36,00,000	0.72
	Kodala	30,13,000	21,84,000	1.38
	Ganjam	1,50,000	3,50,000	.43
<u>Code 11 New Bank of India</u>				
Puri	Purisadar	29,00,000	75,00,000	0.39
	Purisadar	10,84,000	17,18,000	0.63
<u>Code 15 State Bank of India</u>				
Puri	Bhubaneswar	3,70,000	1,62,000	2.28
	Sakshigopal	30,00,000	40,00,000	0.75
	Pipli	96,00,000	52,00,000	1.85
Ganjam	Chatrapur	15,959	35,108	0.45
	Purushothampur	71,30,000	78,40,000	0.91
	Purushothampur	28,00,000	68,00,000	0.41
	Hinjilicut	45,000	1,20,000	0.375
<u>Code 17 Syndicate Bank</u>				
Puri	Bhubaneswar	5,92,00,000	6,41,00,000	0.92
<u>Code 19 United Commercial Bank</u>				
Puri	Brahamgiri	13,726	5,225	2.63
	Nimapara	6,330	4,138	1.53

District	Block	Advances	Deposits	C.D. Ratio
<u>Code 12 Punjab National Bank</u>				
Puri	Jatni	20,79,000	49,84,000	0.42
<u>Code 13 Grameena Bank</u>				
Puri	Balianta	15,63,363	3,60,666	4.33
	Brahmagiri	35,55,000	11,35,000	3.13
	Brahamagiri	1,42,000	30,000	4.73
	Puri Sadar	49,94,000	30,23,000	1.65
	Bhubaneshwar	8,43,401	1,80,018	4.69
	DeLong	36,69,000	13,61,501	2.69
	Sakshigopal	6,46,679	2,87,553	2.25
	Pipli	55,00,000	34,00,000	1.62
	DeLong	20,66,000	5,24,000	3.94
	Jatni	22,84,000	5,69,000	4.01
	Jatni	23,71,106	4,49,491	5.28
NIMAPARA	Nimakarpur	53,26,842	10,81,795	4.92
	Kauas	27,60,000	7,24,000	3.81
<u>Code 14 Rasikulya Grameena Bank</u>				
Ganjam	Kabisurya Nagar	13,84,300	5,02,500	2.75
	Khallikote	7,66,000	3,82,000	0.24
	Khallikote	3,22,000	2,10,000	1.53
	Kodala	4,10,000	1,75,000	2.34
	Purushothampur	8,80,000	4,03,000	2.18
	Saragada	10,000	41,000	0.24
	Digapondi	45,000	60,000	0.75
<u>Code 20 Union Bank of India</u>				
Puri	Sakshigopal	64,00,000	93,00,000	0.69
	Puri Sadar	64,00,000	93,00,000	0.69
<u>Code 24 District Central Cooperative Bank</u>				
Puri	Bhubaneshwar	18,000	18,000	1.00
	Puri Sadar	4,00,000	7,00,000	0.57
	Kanas	63,38,970	2,79,513	22.68
	Jatni	15,00,000	75,000	20.00
Ganjam	Kabisuryanagar	20,47,000	7,05,000	2.90
	Purushothampur	52,00,000	42,00,000	1.24
	Ganjam	1,29,20,000	7,24,000	17.85

## WEST BENGAL - NADIA DISTRICT

The District of Nadia took its present shape after the partition of Bengal, August 1947. The district derived its name from the town of Nadia or Nabadwip, a famous religious centre, situated on the western bank of the Bhagirathi river, though the chief town and the administrative headquarters of the district is Krishnanagar situated on Jalangi river. It is irregular in shape, lying north to south.

The district is bounded on the north and north-west by the district of Murshidabad. The district of Kushtia in East Bengal forms the boundary on the North-east. In the West the river Bhagirathi except for a small strip of land around Nabadwip town forms the boundary of the district with Burdwan and Hooghly. In the south and the South-east the district is bounded by 20 Parganas.

### AREA

The district covers an area of 3927 sq. kms. according to 1981 census, of which 3,721 kms. are rural and 205.7 kms. are urban. Thus the district is predominantly rural. Administratively, the district is divided into 4 sub-divisions. There are 17 panchayat samities and 180 Gram Panchayats covering 13.83 villages.

### POPULATION

The district is inhabited by 2964,253 persons of which 1,522,936 are males and 1,441,317 are females. Of the total population of the district 23 per cent is scheduled caste and 4 per cent scheduled tribe. The scheduled caste population is mainly concentrated in Ranaghat sub-division and the scheduled tribe population in Chakdah.

### NATURAL CONFIGURATION

The district is a large alluvial plain spreading southwards approximately from the head of the Delta formed by the succession of rivers into which the Ganges has from time to time distributed itself. The district is also flat having pockets and villages and cluster of trees and is intersected by rivers, backwaters, minor streams and swamps. Agriculturally, the soil varies little all over the district of Nadia, except for the tract known as 'Kalantar', and some portions of Karimpur Panchayat Samiti and Ranaghat sub-division, it is almost universally a light sandy loam, possessing little fertilising power and incapable of retaining moisture.

## OCCUPATION PATTERN

As majority of the population of the district lives in the country side, agriculture occupies an important place in the life of the district. Besides agriculture, the rural people are engaged in household industries, cotton weaving, livestock rearing, Handicrafts, Transport, storage and communications. The non-workers constitute 72.59 per cent of the total population in the district.

A significantly large percentage (60.30) of the working population find employment in the primary sector. Of the 60.30 per cent workers in the primary sector 31.67 per cent are cultivators and 28.63 per cent are agricultural labourers. Workers in tertiary sector constitute only 33.56 per cent of the total working population and workers in Household industry occupies only 6.14 per cent of the total working population.

Though agriculture is the most important activity in the district, it is still backward, which could be attributed to lack of irrigation facilities. The principal crops in the district are rice, wheat, jute, mustard, sugar cane, pulses, oil seeds and potatoes.

The soil and Agro-climatic conditions of this district are suitable for the cultivation of horticultural crops like fruits and vegetables. Different types of vegetables and fruits like Mango, banana, litchee and guava are also grown there.

The hecterage and production of major crops in the district are as below:-

Name of Crop	Area in Hectares	Total production (in M.T.)
Aman (HYV)	41,280	77,139
Aman (Local)	43,576	33,441
Aus (HYV)	26,640	40,000
Aus (Local)	71,754	53,149
Bora	33,244	124,190
Wheat (HYV)	48,650	132,160
Jute	68,728	697,676
Sugar cane	5,826	252,860
Potato	6,407	11,32,485
Pulses	84,353	57,496



## INFRASTRUCTURAL FACILITIES

The availability of various infrastructural facilities like Transport, Roads, Veterinary hospitals, Markets and Banks is important for the successful implementation of any development programme. The situation of various facilities in Nadia is as follows:-

### TRANSPORT

Although the extension of the Calcutta Urban complex upto Nadia district has enhanced the importance of the districts transport and communication from the point of view of trade and commerce, only 43 per cent of the villages are accessible by all weather roads. Development of Roads and Railways has been more or less a balanced one although some villages are yet to be covered by all weather roads.

### ROADS

The total length of roads in the district was 3025.56 kms. of which 1430.30 kms. were metalled roads and the remaining 1595.26 kms. unmetalled.

### MARKETS

There are very few marketing outlets in the district specially for the produce of village/cottage industries. There are three regulated, 24 wholesale and 90 primary markets in the district. As a result the rural people do not get substantial price for their produce.

### VETERINARY HOSPITALS

There are nine Veterinary Hospitals, 17 veterinary dispensaries, 22 Aid centres and only one mobile unit for treatment of cattle against curative and various contagious diseases.

### BANKS

About 130 branches of various commercial, cooperative Banks and Regional Rural Bank are operating in the block. The Reserve Bank of India norm of one bank branch per 17,000 of population is not followed in the district. The position of various banks operating in the district is as follows:-

United Bank of India	-	36
State Bank of India	-	22
United Commercial Bank	-	3
Allahabad bank	-	5
Bank of India	-	3
Bank of Baroda	-	1
Indian Overseas Bank	-	1
United Industrial Bank	-	8
New Bank of India	-	1
District Central Co-operative Bank Ltd.	-	14
Nadia Cooperative land Development Bank Ltd.	-	5
Nadia Gramin Bank	-	29
West Bengal Financial Corporation	-	1
Dena Bank	-	1
		-----
Total		130
		-----

Out of these 130 branches only 75 branches are performing the IRD Programme in the entire district.

No. of Banks and population distribution in the blocks of Nadia district are given in the next page.

## NADIA

Blocks	No. of Banks in the distt. (AAP)	Total Popu- lation ( '81 Census)	Rural Popu- lation	Urban Popu- lation	Area in Sq. Km.	Population covered by one branch	Area covered by one branch Sq. Km.
1.* Krishnanagar I	11	344635	246494	98141	193.315	15665.227	17.5741
2.**Krishnanagar II	7	-	-	-	215.584	24622.500	30.7977
3. Chapra	5	179722	179722	-	310.010	35944.400	62.0020
4. Tohatto I	3	238346	238346	-	423.200	79448.667	141.0667
5. Karimpore II	8	243697	243697	-	225.700	30462.125	28.2125
6.* Ranaghat I	8	420587	296138	124449	221.200	52573.375	55.3000
7.**Ranaghat II	-	-	-	229.560	52573.375	57.3900	
8. Shantipur	6	199508	90167	109341	154.400	33251.333	25.7333
9. Krishnaganj	7	91061	91061	-	151.200	13008.714	21.6000
10. Hanskhali	9	157833	146094	11739	242.200	17537.000	26.9111
	64	1875429			2366.369	33612.6	Mean 48.49 Mean

\* bifurcated recently

S.D. 19893.6 34.97

Source:AAP 1985 District Nadia

Population Census 1981

## DISTRICT DARJEELING - A PROFILE

Historically, the District of Darjeeling was parts of two kingdoms during the Pre-British period - the Kingdoms of Sikkim and Bhutan. Following wars and treaties signed with these two Kingdoms, this territory came under the control of British Empire in India. The Himalayan region of West Bengal is largely known for its tea gardens and scenic beauty and is a tourist attraction in the country.

Of 2,41,725 hectares of geographical area in the hills of Darjeeling about 54 per cent is covered by forests, another 14 per cent is devoted to agriculture, while tea and cinchona plantations account for 6.62 and 10.75 per cent of land respectively. Between 1971-81 according to the census 1981, the area under the forest and the area covered by agriculture and cinchona plantations have remained the same while the area under tea gardens has shrunk from 7.45 per cent of the total area to 6.62 per cent. The area covered by irrigation has increased from 25 per cent to 27 per cent of the net shown area.

As regards occupational pattern about one third of the total working population is engaged in agricultural activities, about one-third are engaged in activities connected with plantations, orchards, forestry and livestock, another 8 per cent are engaged as agricultural labourers, while the rest are involved with manufacturing, construction mining, trading and various service activities.

The total population of the District according to 1981 is 10,24,269. The majority of the people in the hills of Darjeeling are poor and their basic needs for food, shelter, clothing are far from satisfied. The proportion of registered unemployment in the district is 8.29 per cent as compared to the state figure of 7.82 per cent.

The blockwise distribution of the workers is as follows:-

Name of the Block	<u>Occupations</u>			
	Cultivators	Agricultural labourers	Cottage/Household Industries	Others
1. Khoribari	20682	13257	379	17632
Phansidewa	(39.81)	(25.51)	(0.72)	(33.94)
2. Siliguri	9864	7849	1416	85603
Naxalbari	(9.41)	(7.49)	(1.35)	(81.73)
3. Kurseong	5370	1042	774	20971
	(19.07)	(3.70)	(2.74)	(74.47)
4. Mirik	1801	19435	400	6517
	(19.67)	(4.75)	(4.37)	(71.20)
5. Sukhiapokhari	3741	1506	1024	21694
	(13.37)	(5.38)	(3.66)	(77.57)
6. Rangli	4592	791	237	11680
Rangloit	(26.54)	(4.57)	(1.36)	(67.51)
7. Pulbazar	15266	2306	1414	33066
	(29.32)	(4.43)	(2.71)	(63.52)
8. Kalimpong I	6685	1869	610	4231
	(19.71)	(14.00)	(4.57)	(31.70)
9. Kalimpong II	17511	1254	719	10129
	(58.53)	(4.19)	(2.57)	(34.86)
10. Gorubathan	9173	538	235	6948
	(54.29)	(3.18)	(1.39)	(41.12)

For administrative purposes the district is divided into four subdivisions and ten blocks namely Pulbazar, Rangli Rangloit, Sukhiapokhari, Kalimpong I, Kalimpong II, Gorubathan, Kurseong, Mirik, Siliguri Naksalbari and Khoribari Phansidewa. The Block-wise population of the district is as follows:-

District Darjeeling

Blocks	No. of Banks in the distt.	Total Popu- lation	Area in Sq. Km.	Population covered by one branch	Area covered by one branch Sq. Km.
1. Khoribari Phansidewa	4	1,57,033	455.900	39258.250	113.9750
2. Siliguri Nexalbari	35	3,03,378	364.400	8667.943	10.4114
3. Kurseong	5	81,558	304.900	16311.600	60.9800
4. Mirik	3	29,270	97.400	9756.667	32.4667
5. Jorebugnalow Sukhiapokhari	4	80,439	385.900	20251.000	96.4750
6. Rangli-Rangloit	2	51,318	307.700	25659.000	153.8500
7. Darjeeling Pulbazar	13	1,47,465	241.900	11343.462	18.6077
8. Kalimpong I	5	75,179	192.000	15035.800	38.4000
9. Kalimpong II	2	41,926	285.211	20963.000	142.6054
10. Gorubathan	2	38,868	446.000	19434.000	223.0000
	75		3081.310	Mean 18668.15	Mean 89.1065

Source: AAP 1985 District Darjeeling

S.D. 8561.57

65.869 S.D.

## THE BANK-WISE DISTRIBUTION IN THE DISTRICT IS:-

Name of the Bank	Total No. of branches in the district
1. Central Bank of India	15
2. State Bank of India	15
3. United Bank of India	4
4. Allahabad Bank	3
5. Union Bank of India	3
6. Punjab National Bank	3
7. Bank of Baroda	2
8. United Commercial Bank	2
9. Vijaya Bank	2
10. Bank of India	1
11. Indian Overseas Bank	1
12. Punjab & Sind Bank	1
13. Indian Bank	2
14. United Industrial Bank	1
15. Uttra Bank Kshetriya Grammand Bank	21
16. Darjeeling District Cooperative Bank	6
17. District Land Development Bank	1
18. Farmers Service Cooperative Society Ltd.	1
19. Jalpaiguri District Cooperative Bank	1
	85

## THE BLOCK-WISE DISTRIBUTION OF THE BANKS

## NAME AND NUMBER OF BRANCHES OF VARIOUS BANKS IN THE BLOCK

Name of the Block	State Bank of India	Other Public Sector Banks	UKGB
1. Khoribari Phansidewa	-	2	2
2. Siliguri Naxalbari	7	19	9
3. Kurseong	1	2	2
4. Mirik	1	1	1
5. Jorebungalow Sukhiapokhari	1	2	1
6. Ranglii-Rangloit	-	1	1
7. Pulbazar	4	8	1
8. Kalimpong I	1	2	2
9. Kalimpong II	-	1	1
10. Gorubathan	-	1	1

Name of the Block	Name and Number of branches of Banks in the block	
	District Central Cooperative Bank	Land Develop- ment Bank
1. Khoribari Phansidewa	-	-
2. Siliguri Naxalbari	1	1
3. Kurseong	1	-
4. Mirik	-	-
5. Jorebungalow Sukhiapokhari	1	-
6. Rangli-Rangloit	-	-
7. Pulbazar	3	1
8. Kalimpong I	1	-
9. Kalimpong II	1	-
10. Gorubathan	1	-

The credit deposit ratio of different banks in the district is given below:



## DISTRICT WISE, BANK WISE, CREDIT DEPOSIT RATIO

## WEST BENGAL

District	Block	Advances	Deposits	C.D. Ratio
<u>Code 01 Allahabad Bank</u>				
Darjeeling	Kohoripari	28,000	70,000	0.40
	Kurseong	12,00,000	75,00,000	0.16
Nadia	Ranaghat II	13,98,000	35,00,00 Bank	
Darjeeling	Kohoripari	28,000	70,000	0.40
	Kurseong	12,00,000	75,00,000	0.16
Nadia	Ranaghat II	13,98,000	35,00,000	0.40
<u>Code 03 Bank of Baroda</u>				
Nadia	Shantipur	5177	25567	0.20
<u>Code 06 Central Bank of India</u>				
Darjeeling	Darjeeling	3,40,697	10,62,576	0.32
	Kalimpong I	9,814	46,093	0.21
	Sukhia Pokhiri	39,74,000	81,44,000	0.47
	Gorubathan	37,32,000	70,66,000	0.53
<u>Code 10 Nadia Gramina Bank</u>				
Nadia	Krishna Nagar I	11,07,000	19,07,000	0.58
	Krishna Ganj	11,57,000	6,05,000	1.91
	Tahatta	6,74,450	13,74,665	0.49
	Krishna Nagar II	1,94,81,000	18,03,923	10.79
	Karimpore	1,34,000	2,00,000	.67
	Shantipur	23,400	45,000	.52

District	Block	Advances	Deposits	C.D. Ratio
<u>Code 11 New Bank of India</u>				
Nadia	Krishna Nagar I	28,00,000	69,00,000	0.41
	Hanskhali	33,71,000	1,93,32,000	0.17
	Chapra	1,25,24,000	47,52,000	2:64
	Ranaghat II	1,16,38,000	5,45,36,000	0.21
	Ranaghat I	55,40,000	1,55,07,000	0.36
	Krishana Nagar II	1,25,24,000	47,52,000	2:64
Darjeeling	Kalimpong	55,48,000	4,79,000	11.41
	Mirik	15,98,000	35,63,000	0.45
	Sukhiapokhiri	58,28,000	56,43,000	1.03
	Siliguri	70,000	2,00,000	0.35
	Darjeeling	1,68,000	4,20,000	0.40
<u>Code 21 United Bank of India</u>				
Nadia	Hanskhali	38,55,000	92,31,000	0.42
	Krishna Nagar II	34,44,246	82,51,000	0.42
	Ranaghat I	10,277	68,386	0.15
	Chapra	46,09,493	1,26,93,533	0.36
	Krishnaganj	58,29,000	25,68,000	2.27
Darjeeling	Kalimpong I	4,20,000	80,000	5.25
	Kalimpong II	3,65,802	1,18,027	3.10
	Kurseong	18,21,000	4,25,000	4.28
	Siliguri	2,05,000	2,50,000	0.82
<hr/>				
	Rangli Rangloit	18,000	60,000	.30
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## CHAPTER - III

### ADMINISTRATIVE SUPPORT FUNCTION

Administrative Support is the linkage provided by the officials at the district level. In order to understand the degree of involvement, knowledge and attitude of the officials of District Rural Development Agency (DRDA) and Block Development office (BDO), discussions were held with open ended questionnaires. The questionnaire is attached (Annexure II) The responses of the officials of Darjeeling, Nadia, Mysore, Tumkur, Puri, and Ganjam (six blocks covered under the study) to the various issues are analysed in this chapter. The discussions were held also with the State Development Commissioners to elicit their views on the various parameters involved in decentralised planning for development.

#### 3.1. PREPARATION OF DISTRICT CREDIT PLANS, ANNUAL ACTION PLANS, BLOCK PLANS ETC.

##### 3.1.1 DARJEELING

Generally the project officer in the DRDA office prepared the Annual Action Plan, on the basis of the District Development Plan. The District Development Plan was prepared on a consolidation basis from the Block Development Plans. The Block plans were expected to be prepared by assessing the needs of the blocks. Gram Pradhans were expected to discuss them in a Block level IRDP Sub-Committee meeting. At the bank level, the Lead Bank officer prepared the DCP on the basis of these block plans and passed them at DLBC meeting.

- (i) The Darjeeling DRDA said that each year an inventory of local resources was prepared while preparing the Annual Action Plan for the year. But the Block Development Officials said that they were not prepared in a scientific way since the instructions from district headquarters were not clear. Four out of eight said that they neither had proper formats nor training.
- (ii) When questioned about the awareness of who prepares the District Credit Plan, four responded that the Standing Committee of DCC prepares it and the other four did not

know. The DRDA officials at Darjeeling said it is prepared by the Lead Bank Officer and passed at the DCC meeting.

- (iii) When the question of preparation of sectorwise block plans was asked, all the eight BDO's and the DRDA officials said all sectoral plans were incorporated in the main District Development Plan. But the question as to who prepares them brought out only vague answers.
- (iv) When enquired whether a meeting is called to discuss about the preparation of the plans, the BDOs, and DRDA officials said that the meeting takes place. Even though they were present in many of the meetings, their contribution towards planning was nil. Seven BDOs said that they find about the needs of the block before the preparation the block plan while one BDO said he does not know about it.
- (v) On the question of training in planning, five BDOs and DRDA project officer reported in the affirmative but three BDOs said that they do not have any specific training in planning and they did not know how to prepare plans. Therefore in reality it is seen that Gram Pradhans and officials decided the framework of the Block Plans on an adhoc basis. They never made an assessment of the needs of the block and they were not trained to make such assessments. Generally in the blocks of the district of Darjeeling, the plans were prepared on the basis of expected allotment of fund from Government, which was about Rs. 10 lakh per Block for covering 1000 beneficiaries. As the plans are expressed quantitatively in monetary parameter and number of schemes/individuals, they did not face any problem in formulating a plan for plan-sake. Therefore Block plans thus prepared, became the basis for District Credit Plans and Annual Action Plans. Even though, inter supportive schemes and availability of infrastructural services were not taken into account, these plans were accepted by senior officials as the basic document.
- (vi) The District officials said that the lead Bank Officer faced problems due to the difference in the financial years of the two set ups (Banks Vs Administration - calendar year Vs govt's financial year). Therefore the Lead Bank officer used the PREVIOUS year's development plan preparing the District credit plans. For eg., in July 1987, while preparing the D.C. Plan of 1988, the govt's Annual Action Plan for 1987-88 is not available. Therefore 1986-87 AAP is used to project the credit need till December 1988. Therefore the real

difference is 1.75 years and not three months for projecting future requirements. The banker sometimes get a broad hint about sectorwise expectations from the district officials. Since the DCP is prepared for the calendar year and the DDP for the Govt's financial year. They overlap only for 9 months (April-December) but as there is no equivalence budgets cannot be compared.

- (vii) It is seen from the above analysis of the responses, that as the basic block plan is not properly formulated, the total DCP was an adhoc exercise. Even though all officials of the district administration, Lead bank officer, other bankers and the collector took part in the exercise, it was futile. The credit demand projections were only numerals which did not reflect the real situation. This process ended up in a distribution of credit to achieve financial targets, and the number game went on (still goes on) even though there was no productive gain in terms of output/production.

### 3.1.2 NADIA:

The responses in the district of Nadia were as follows:

- (i) In Nadia district, the question of preparation local inventories and block plans were asked. Out of the ten BDOs only seven said the local inventory of resources was prepared in the beginning. According to project official (DRDA) and the BDOs inventory of local resources is prepared every year by May, while preparing the Block Plans, but this is not in detail. So most of the details are lost.
- (ii) All the ten BDOs and the DRDA said block plans were prepared sectorwise. Sector wise plans are prepared by DRDA and schemes are taken up in consultation with respective departmental officers. Block Plans, including Animal Husbandry Plans, Agriculture Plans, ISB plans etc. are incorporated in Annual Action Plan of the District and are placed at DCC for approval. The schemes suggested by NABARD also considered, but bankers are only informed; they are not consulted during the decision making process.
- (iii) According to five BDOs District Credit Plan is prepared by the District Consultative Committee, and other five did not know who prepared it. This brings out that the BDOs were not aware the process of planning for DCP. According to the

DRDA, the DCP is prepared by the Lead Bank Officer and passed by the SC of DCC.

- (iv) When enquired about training to prepare plans, it was seen only three officials were trained. At the DRDA level the PO did not have any training in preparation of Plans. Seven said they did not have any such training.
- (v) Nine BDOs said that they called a meeting before preparing such plans to help each other. He also got help from his colleagues and superiors if required. The collector also conducts meetings to discuss about the plan preparation.
- (vi) In the District of Nadia, there is a Block Planning Committee. The Block Planning Committee, (BPC) which has been set up since 1985, prepared the Block plans. Sabhapathi of the Panchayat Samiti is the Chairman of BPC, BDO is the Executive Officer and other members are Gram Panchayat Pradhans. It is seen that bankers are not included in the Block Planning Committee. Block Plans are made on the basis of resource inventory, availability of infrastructure and the amount of subsidy. The availability of credit was taken for granted.
- (vii) The differences between the bank calendar year and DRDA financial year, created problems. Six BDOs and the project officer, DRDA said that Banks are not interested in cases forwarded to them between January and February as their Calendar year ends in December, and they are activated only during the end of their financial year. This creates a difference in financing cases at the Bank level DRDA, and Block level.
- (viii) While projecting the AAP, the credit demand projections are based on the past performance, and the District Credit Plan is based on programme-wise need. If supporting linkages are not available provision is also made for them in the District Development Plan. The proposals are made in the Annual Plan and are approved by the SLCC. Till last year 5 to 7% was spent on infrastructure. District authorities always requested the concerned departments to help in this matter. But as the departments are not finding the required finance to meet the recurring expenditure for maintaining the infrastructure, the SLCC is not accepting new proposals. Everybody had provided only for the capital expenditure and the problem of maintenance remained unsolved.

## 3.1.3 MYSORE :

- (i) According to the Project Officer Mysore District, an inventory of local resources was prepared during 1979-80. It is not being done regularly every year. According to most of BDOs interviewed, preparation of local inventories were not made till the time of interview. Actually there was no time to prepare such inventories. They felt that the preparation of local inventories and development plans is the duty of Lead Bank.
- (ii) While preparing the Development plan all the Block Plans are taken into account. By studying the potentiality, infrastructural facilities available, the needs and the existing skills of the people, the schemes are developed. All the development departments are involved in the preparation of the plans. The assistance of the Economic advisor is taken at the district level. A copy of the AAP is made available for each Bank branch immediately after it is prepared.
- (iii) The District Credit Plan is being prepared regularly by the District Consultative Committee, for which special Development Commissioner is the Chairman, Lead Bank Officer is the Convener; other members are Regional Manager of the Lead Bank, two other Regional Managers of Commercial Banks in the district, Principal Agricultural Officer, Deputy Registrar of the Cooperative Societies, and General Manager, District Industries Centre. Even though all the on going programmes of the district like IRDP, NREP, RLEGP, SLPP, RRBS, Antyodaya etc., are linked to the District Credit Plan every year, it is a piece meal addition.
- (iv) The district credit need/deemand is assessed according to the target fixed for the district and not on programme wise or block-wise need, as the resources are limited. This adhocness makes all the above exercise futile and waste.
- (v) The allocation of the targets to the Banks is normally done by DCC on the recommendation of Steering Committee based on geographical jurisdiction, number of branches and nearness to the cluster. But here also the same adhoc amounts are allocated. Therefore the AAP has become a farce. This is like cutting the coat according to the cloth, where as to get the maximum benefit the amount of cloth should be decided based on the required size of the coat.

- (vi) It was found out that except the Project Officer at DRDA, other officials of either the block office or the DRDA, including BDO's do not have any training in the preparation of plans. Some BDOs had prepared the block plans, but they complained that there was no help or guidance from superiors but only instructions.
- (vii) Bankers at the block level are informed about their share of IRDP work in the BLCC meeting by the Assistant Commissioner who is the Chairman of the RLCC. Every Taluk has a fixed target to achieve, which really makes the total approach "Target based instead of need based".

#### 3.1.4 TUMKUR :

- (i) According to DRDA Tumkur a rough inventory of local resources in connection with different trades was done in 1981-82. But all the ten BDOs said that there was no such directive from their higher authorities to prepare an inventory of local resources. They said they do not have either time or staff to prepare such plans.
- (ii) When enquired about whether sectorwise block plans were prepared, eight of them answered in affirmative while two said no. Annual Action Plans are prepared by the BDOs on the vague guidelines issued by DRDA. All these Block Plans are incorporated in the District Development Plan prepared by the District Consultative Committee.
- (iii) When asked whether they have any knowledge of the preparation of District Credit Plan and who prepares it, four BDOs answered that it is prepared by the District Consultative Committee, three said it is prepared by the Regional office of the Lead Bank and three did not know. But the BDOs did not know the process of preparing DCP. The DRDA project officer said that it is prepared in consultation with the standing committee of the DCC. But here also, the credit plan was adhoc, based on targets.
- (iv) All except one said, meeting of all the concerned officers is conducted before preparing the Block Plans to discuss it widely, and to find about the block needs. But this was again adhoc as there was no inventory of local resources.
- (v) Three BDOs had some kind of training in plan preparation, while seven did not have any training.



### 3.1.5 GANJAM & PURI :

- (i) According to DRDA officials and BDOs of Puri and Ganjam districts, the inventory of local resources in these two districts were prepared in 1981. The Blocks prepared resource inventory by collecting data about population, area, agriculture, and small industries, transportation, marketing, existing banks, rural electrification, postal and health services, education, drinking water facilities etc. This has been consolidated at DRDA level and was taken into consideration at the time of preparing AAP. Here also, since there is no standard format and training, the details were vague and adhoc.
- (ii) The Block Development officers said that the sectorwise plans are prepared by the departments. The Block plans and the plans of district sectoral offices are taken into account in the preparation of the District Development Plan.
- (iii) There was no training in planning and the Block plans were prepared separately in a piece meal approach. Therefore the D.D. Plan resulted in a target matrix and did not have an integrated approach.
- (iv) According to BDOs, AAP is prepared by the Lead Bank Officer and he is helped by representatives of regional offices of Commercial Banks, all district level offices, State government representatives, officials of DRDA, Collector and NABARD Officers. But in reality it prepared by the District office. This brings out the fact that the BDOs are not aware of the process of planning.
- (v) While preparing the District Credit plan Block-wise allocation is also taken into account. The broad allocation among the banks is indicated in the AAP. But the practical allocation is done at the block level on the basis of area of operation. Each Bank branch receives a copy of AAP through the Lead Bank Officer. Here also, the allocation approach is followed and not the need-based approach.

## 3.2. MONITORING AND IMPLEMENTATION :

### 3.2.1 DARJEELING :

- (i) The IRDP Sub-Committee finalises the target for the Block. Persons involved in IRDP, at the Block level are BDO,

Panchayat Sabhapati, Pradhans, Cooperation Inspector, Branch Managers of Commercial Banks, VLWS/ADWS, Manager of DIC, Project officer DRDA, Veterinary surgeon, District Magistrate etc- that is more than a dozen. Every proposal has to be approved first by the Panchayat Samiti and finally by the BDO and then they send the proposals to the concerned Banks for finance. The Branch Managers attend the Block level Committee meetings and are made aware of different schemes and areas to be covered by them in the Block.

- (ii) When asked whether they conduct credit work shops and, do they put up the beneficiaries list on the notice board, five BDOs said they do conduct the credit work shops but not regularly. Six BDOs said they do put up the list of beneficiaries, and two did not answer. The PO at DRDA explained that the credit work shops are conducted after the DRDA sub-committee at Block level meets and takes decisions. The Bank, Block, DRDA, Officials and Panchayat office bearers participate in the credit work shops.
- (iii) IRDP Sub-committee at Block Level passes list of beneficiaries/schemes and the same are forwarded to DRDA and Banks for subsidy and loan. The question whether the list of beneficiaries is put up at the offices is not answered properly, since most of the time they are not put upon the notice board.
- (iv) It was also seen that since Darjeeling is a hilly terrain, located in remote area, most of the schemes prepared by NABARD are not suitable to this place. Hence Government officials and concerned Bank officials have to prepare innovative model schemes. There is neither encouragement nor training with reference to this point. Therefore they are not drawn up properly. Since there is no training unit costs for them are worked out on an adhoc basis. For e.g., some special schemes on agriculture, ginger cultivation. Local handicrafts and traditional crafts are given some impetus but not full support of infrastructure etc.
- (v) The question arises now how do the officials go about the aspect of monitoring the programme. Programmes are monitored in Darjeeling District by DRDA through Panchayats/Government Departments. Some times committees are formed at Block level and Sub-divisional level by the officials deputed by SDO/BDO/DRDA monitor the programmes. But in actual practice,

monitoring was difficult according to the Block development officers.

- (vi) When asked if the block officials visit the beneficiary to check the usage of the asset, all of them answered in affirmative. Lack of adequate field staff also leads to improper inspection of the assets which leads to misutilisation of loans and non-repayment. Due to the lack of adequate staff, follow up is not regular from the bankers side also. This leads to the mismanagement of the schemes and problem of defaulters. This has increased with reference to IRDP programmes. When asked whether the bank officials also visit the beneficiary two answered in the affirmative while other six were of the opinion that bankers do not visit them.
- (vii) The procedure of training the IRDP beneficiaries was analysed. Five BDOs said that the beneficiaries are explained on how to use the assets at the BDO's office. One BDO said that when they visit the beneficiary they give the training also, and two BDO's did not answer the question.
- (viii) Then the BDOs were asked about responsibility fixation and time scheduling for the programme implementation was asked. Four BDOs answered in the affirmative while the other four did not agree. About the time schedule three said they have fixed time to implement but the other five did not agree with them. The DRDA project officers said that at the DRDA office, each officer and staff is assigned different work and time schedule is also fixed.

### 3.2.2 NADIA :

Due to the lack of sufficient staff at DRDA, BDO and Banks, monitoring of the programme in Nadia District is not done efficiently. Officers with technical experience are not available at Block level. Though there is a monitoring cell at DRDA level, it is not working properly due to the following factors.

- (i) The extension officers help the beneficiaries with reference to purchase of assets. Responsibility has been given to all the Pradhans of Gram Panchayats and purchase committees are expected to do the needful to the beneficiaries. Though they are advised to hold camps at Panchayat level to train the beneficiaries, no regular training is given to the

beneficiaries about the schemes except in some particular scheme for eg., sericulture in Nadia.

- (ii) Credit workshops are conducted by Lead Bank officials, Officials of DRDA and BDO. Then banks in consultation with Pradhans fix dates for documentation and disbursement. On the fixed dates the proposed beneficiaries meet Bankers alongwith Pradhans and loans are disbursed. IRDP accounts are mainly maintained by Banks from where, loan, and subsidy, are provided to the beneficiary. Vikas Patrikas are given but not updated due to shortage of staff.
- (iii) No time schedule is framed for any project. It has to be clearly drawn stating the time frame - from the time of sponsoring to implementation. There are instances where cases sponsored even in the year 1983-84 are yet to be implemented and no disbursement has taken place.
- (iv) When asked about the procedure of training the IRDP beneficiaries, eight BDOs said they are trained at the gram sabhas, on how to handle the assets, and about the loan repayment etc. The bankers sometimes try to explain the schemes, loan repayment interest etc at the time of disbursing the loan.
- (v) When asked whether block officials and bank officers visit the beneficiary to check the usage of the asset, and BDOs said that none of them visited to check the usage of assets. Only one BDO said that bankers visited the beneficiaries, while other seven answered in the negative. Due to paucity of staff and time, they do not visit the beneficiaries. The DRDA officer said that each BDO/SDO/Project officer and the collector himself has a target for covering certain number of villages each week to meet the beneficiaries and check the usage of assets. But in actual practice this does not happen due to lack of resources like time, vehicles etc., according to nine BDOs out of ten interviewed.
- (vi) Just meeting the beneficiaries and checking the assets and getting loan recovered is not sufficient for the programme to be a success. It is essential that the BDOs and the bank have some technically trained persons to look after the maintenance of assets of the beneficiaries and advise and guide them if needed. So we enquired whether the beneficiaries get any technical guidance/counselling in managing their assets, and whether they are encouraged to bring their problems. Six BDOs

said they have some technical staff in their blocks to guide the beneficiaries in managing their assets. Four said that they do not have any technical person. Eight BDOs said they always encourage the beneficiaries to bring their problems while two answered in the negative.

- (vii) BDOs are of the opinion that they have no role to play in the implementation of IRDP. BDO is not a signing authority. He just acts as a mediator between DRDA and Gram Panchayats. He cannot even question the selection of a particular beneficiary. Even the surveyors are also appointed by the gram panchayats. Many decisions are taken at DLCC meetings and they are neither invited nor informed in time. Programmes are generally finalised at DLCC meetings and follow up actions are expected to be taken at Block level which leads to difficulty in coordination and implementation.
- (viii) According to some of the BDOs, there is no proper monitoring system at the block level. After the disbursement of loan, panchayat samities & banks do not pay any attention to the beneficiaries. The lead bank feels that the duty is over once the allocation of credit is done to the branch banks in the block. The bank officials also are not interested in the follow up work. Programmes are expected to be monitored through periodical meetings of different departmental authorities, bankers and Panchayat Samities at Block level. It was seen that there is no involvement in the working, even though meetings are held regularly. This makes the total system ineffective, since everybody thinks that the job is over once the money is distributed.
- (x) Only in Sericulture and fishery schemes, Assistant Inspector, Sericulture, and Fishery, extension officer look after the schemes. But in most of the other cases no particular individual is held responsible for the implementation of the scheme.
- (xi) In accordance with the procedure laid down each BDO/SDO/PO and the Collector himself has a target of work to tour certain number of villages each week and meet beneficiaries. DRDA, BDO and Bank personnel are expected to meet the beneficiaries from time to time to check the assets and their usage; but due to lack of staff and time, it is done very rarely. There are no counselling sessions at the Block level but if the beneficiary approaches the block level officials with any problem they try to solve it.

### 3.2.3 MYSORE:

- (i) In DRDS in Mysore time schedule has been drawn up and different extension officers are placed incharge of different programmes. Time schedule for each gramsabha, credit camps, purchase committees, is drawn and it is being published for each Taluk notifying the dates. The Revenue Authorities along with Bank representatives and block officials are expected to attend the credit camps. But in actual practice credit workshops are not being conducted as planned. As the beneficiaries are selected in gram sabhas, the list of beneficiaries is not put up at DRDA office. Beneficiaries are given information orally at the time of gram sabhas and credit camps about the schemes, subsidy, loan, insurance, repayment, interest, etc. Vikas Patrikas were given in the beginning but not updated.
- (ii) There is neither training nor counselling and the beneficiaries are left alone to struggle with problems.
- (iii) Once in a quarter Asset Verification Camps are to be organised at cluster level in which representatives of Banks and blocks take part. But this does not have any impact due to lack of personnel, vehicle and time.
- (iv) At the BDO level, a particular individual in the BDO office has been assigned one Bank branch and has been asked to supervise all the schemes of the government being implemented by that branch, but most of them failed to create any impact, due to various pre-occupations.
- (v) Follow up is negligible, thus encouraging misutilisation. It is seen that this is due to paucity of time, personnel and vehicles. The position is same with reference to the banks according to the BDOs.

### 3.2.4 TUMKUR:

- (i) When the enquiries were made about the procedure of training the IRDP beneficiaries, seven BDOs said it is done at Gram Sabhas during the distribution of assets or loans, and three said that there is no training. The DRDA officials said that training is the job of the follow-up team but they are not clear about who are the members of the follow-up team.

- (ii) When asked whether the beneficiaries get any technical help to manage their assets, all the BDOs said they do get, and the DRDA officials are also of the same opinion. When asked whether they have any counselling officers or sessions to help the beneficiaries, five BDOs answered in the affirmative while other five had a negative answer. DRDA official said the cluster supervisor does the needful. It was seen that in reality there is no help and it is only oral or adhoc depending on the mood of the officials. Regarding the technical guidance, the bankers expressed their inability due to shortage of staff and time whereas the block officials do not have the required technical personnel to provide guidance to beneficiaries.
- (iii) Misutilisation of assets is mainly due to lack of awareness and motivation among the beneficiaries and in order to overcome this training is very urgently required. When enquired whether credit workshops are conducted and beneficiaries list is put up on notice board, six BDOs said credit workshops are conducted, but four felt that they were not conducted properly. About the beneficiaries list, four said it is put up, and six BDOs said it was not put up. The DRDA official said credit workshops are conducted at, the block and district level in consultation with bankers and other officials, but they were irregular. They also said the list of the beneficiaries is available at the office but not being put up on notice board.
- (iv) The beneficiaries are encouraged to bring their problem to the officials, according to eight BDOs, but two others differed. The DRDA officials also said they encourage beneficiaries to bring their problems to them. But the question is whether right solutions are offered to them and whether they help in implementing the solution.
- (v) It is also essential to check whether they are managing the asset properly or misutilising them, so when the question was asked about the officials' visit to the beneficiary to check the asset and its usage all the BDOs unanimously said they do visit the beneficiaries to check the usage of the asset. DRDA officials also said the checking is done by the BDO officials by visiting the clusters every week. APOS also visit the four clusters every month. Bankers also visit the beneficiaries for recovery of the loan as well as to check the usage of the asset. But as they do not have enough vehicles

they are not able to do the job frequently and this results in misutilisation.

- (vi) The questions about the responsibility fixation, time scheduling for implementing the programme were also analysed. Six BDOs were of the opinion that responsibility is fixed, which four did not answer. About the time schedule, seven said that is fixed and three felt that there is no time scheduling and it is adhoc. But the DRDA officials are of the opinion that there is no responsibility fixation, but the time schedule is fixed to complete the target.
- (vii) When enquired about the issue of vikas partrika to the beneficiaries and its updating, all the BDOs answered they issue them, and similarly DRDA officials also said they are given in most of the cases; but the Vikas Patrika, is not updated after it is given the first time.
- (viii) The programmes are expected to be monitored by DRDA Tumkur in the monthly review meetings at Block level/District level. Monthwise targets are fixed and reviewed. In these meetings the Bankers and other officials from Block, District and State participate. But this target checking never brought out the real effect of the programme.
- (ix) In addition to these monthly meetings, BDOs are expected to visit one cluster every week. APOs of DRDS also visit 3 to 4 clusters every month. There are cluster supervisors also who are expected to give guidance in maintaining the assets. Bankers also visit the beneficiaries, but their visit is limited to physical verification of assets and loan recovery. But in all cases the lack of personnel, time and vehicle did not give enough scope for monitoring.

### 3.2.5 PURI & GANJAM:

- (i) Normally the concerned extension officers and field technical officers are responsible for implementation of the schemes. A time schedule is fixed but usually not adhered to due to lack of staff or delay in financing by the banks or grant from central Govt.
- (ii) Credit workshops are conducted almost in all blocks every year. In some of these workshops some beneficiaries even receive assets and all intermediary procedural delays are



expected to be overcome through these camps. But in actual practice, this happens only in a few cases.

The workshops are also not conducted regularly. All the BDOs said that everything is carried out in an adhoc manner due to lack of proper instructions.

- (iii) The list of beneficiaries is expected to be transmitted to DRDA every month by the block office; but there is always a delay. The list is not put up.
- (iv) The loans were disbursed to beneficiaries but there was no counselling or guidance at the time of initiation into the scheme. Vikas Patrikas and credit pass books are issued but are not updated regularly.
- (v) Theoretically, beneficiaries are expected to get technical help through the field technical officers, as well as from bank officials. They also can have consulting sessions with the block officials. But again, in practice, the officials are not available. When necessary. Secondly, the officials do not know the answers to the problems faced as they are untrained. In many cases, it was felt the BDOs and officials of DRDA such questions with contempt, as they felt the beneficiaries are given asset and they should be satisfied.
- (vi) In Puri and Ganjam Districts of Orissa, at the DRDA level the assistant Project officers and Sectoral officers are given exclusive charge of certain gram panchayat samitis/blocks for the purpose of monitoring. At the Block level APO, FTO, additional VAS etc. are entrusted with supervision and monitoring. Lead Bank and other commercial Banks are also expected to play a major role in monitoring the programme. But in reality, lack of sufficient personnel and vehicles led to improper monitoring and supervision of the programme.

### 3.3. INFRASTRUCTURE :

#### 3.3.1 DARJEELING:

- (i) When specifically asked about the viability of schemes, the all the BDOs said that they do not find out about location specific viability. They have to reach a target both in the number of specific schemes, number of beneficiaries and the expenditure. Therefore they just follow the guidelines for

giving loans & releasing subsidy. They did not know anything about bankability.

- (ii) The on-going schemes in Darjeeling District are agriculture animal husbandry, including horticulture/floriculture, dairying etc. Hill handicrafts/crafts, ginger cultivation, black smithy, knitting, weaving carpentry are also undertaken. The new schemes include kutcho (broom stick) making, bamboo work, construction of field channels for irrigation purposes.
- (iii) For sericulture bamboo work, knitting, sewing etc., Sericulture Department and Handicrafts Development Corporation are helping to some extent. through marketing. But for floriculture and broom stick schemes there are no support systems. The individual beneficiaries have to take the initiative either to get raw materials or to sell the final product. Therefore, the beneficiaries had to sell their products to private dealers at a loss they were not even able to cover their costs in many cases.
- (iv) In some blocks the new schemes under IRDP are purchase of pony for transport and setting up of establishments for bakery, photography, microphone sets, silversmithy etc. At present the existing supply is not sufficient to cater to demand. Therefore, they expect to generate some income. Here also there is no technical infrastructure to improve quality.
- (v) The BDOs and DRDA are of the opinion that if the linkages like marketing etc are neither adequate nor available, the District authorities sectoral/departments should take initiative in developing them with the assistance of State or Central Govt.

### 3.3.2 Nadia:

- (i) Here also, the viability of the schemes were not found out before deciding on the schemes. If the beneficiary is willing to take up a scheme it is given to him, if it is in the list. The targets were important.
- (ii) Under IRDP, support facilities are not adequately available in Nadia District. The new schemes taken up in the district are solar pump-set, submersible pump-set, khakki, kambal, duckery, sericulture etc. and attempts are being made to develop support facilities for these new schemes. As of now, the facilities are very poor and only assets are distributed.

There is no proper government machinery which can supply crossbreed cows, and therefore the viability of dairying has become low.

- (iii) There was more than 100 beneficiaries in weaving, and they specialise in cotton sarees. Even two months before festival time (Dinga pooja etc.) the private dealers corner the output as the Govt marketing out lets do not come in time. The beneficiaries need raw materials to produce more, and the private dealers give them loan and outputs are sold at a low price.
- (iv) In one block, 60 to 70 beneficiaries were given loan under sericulture without proper infrastructural facilities for the same. Mulberry plantations were provided free of cost but marketing of cocoons and reels is a problem. There is a sericulture department headed by Deputy Director, but not much help is forthcoming from his office as he has no powers to take effective action.
- (v) Even Bellmetal industry is facing the problem of marketing. Most of the outputs are cornered by wholesalers at a minimum price, and the beneficiaries tend to sell at cost price since they do not have access to big markets.
- (vi) According to BDOs the responsibility of providing infrastructural facilities like roads, electricity, market, veterinary facilities etc. is of the State District Government. But as mentioned earlier DRDA cannot spend more than 10% of the total IRDP finance on infrastructure, and they have to request the concerned departments to provide the facilities. These departments are reluctant to take up the work because this will increase the recurring expenditure for providing the facilities. The SLCC also wants to incur only the capital expenditure. While the maintenance expenditure will have to be incurred at a later stage. The basic question is who should incur these expenses and are they provided for in the annual budget of the specified organisation.
- (vii) Even though the supporting facilities are not fully available, the loans are disbursed to the beneficiaries so that they will receive at least some benefit which is better than nothing. This is a wrong approach. Since this does not bring him above the poverty line.

### 3.3.3. MYSORE:

The main on going schemes in Mysore District are animal Husbandry, irrigation wells, sericulture, silk reeling, fishery, etc.

- (i) According to DRDS officials there are milk collection centres for milch cattle scheme. But there are no chilling centres within the reach of beneficiaries.
- (ii) For ISB sector there is no systematic organised marketing. It was pointed out that either by BDOs and DRDA the concerned departments or the federation established for this sector are responsible for developing the markets, but it has not been done. Dic has also to coordinate.
- (iii) The silk reeling is a new scheme taken up in the district and according to DRDS, supporting facilities for this scheme are available to a certain extent But even here, private traders corner the outputs by giving credit to beneficiaries.
- (v) DRDS is now working together with organisations like milk union, LID karnataka, and Khadi and Village Industries Commission to organise linkages wherever possible. But the DRDS does not have any power to plan and implement infrastructure facilities.
- (iv) The BDOs expressed the view that BLCC should take the responsibility of developing the linkages for the schemes taken up in the Block. None the less schemes are sanctioned to beneficiaries even in the absence of linkages, so as to achieve the block level targets. But according to them, they cannot do anything to rectify the situation.

### 3.3.4 TUMKUR :

- (i) The major schemes financed in this district under IRDP fall into the categories of animal husbandry, agriculture, fisheries, sericulture, and allied activities like bullock cart, sheep rearing, goatery, piggery. In the ISB Sector- tailoring, bamboo work, petty shops, wool weaving leather work etc. are also being financed under IRDP.
- (ii) According to the DRDS officials they have tried to improve the infrastructural facilities under various sectors, but still much more needs to be done. They do not have discretionary

powers to plan and implement the infrastructural facilities. Each and every proposal will have to be cleared in the SLCC which is a very lengthy and cumbersome procedure. They feel a free hand should be given to the DRDS authorities to decide the infrastructural facilities to be created under IRDP. At present they can spend only 10% of their budget on supportive facilities, which is a big constraint on them. During the last few years, they have been able to provide the following facilities in this District.

- (a) four marketing centres were built for the use of ISB beneficiaries.
  - (b) eight work sheds were built for ISB beneficiaries
  - (c) 40 fodder farms were developed and
  - (d) a chilling plant is being set up at Pavagada.
- (iii) As regards the support from other departments for providing the infrastructural facilities, it is mentioned that there is no coordination between DRDS and other departments except with the veterinary department, which helped by opening veterinary hospitals in various blocks. In this connection it was mentioned that though veterinary hospitals, are functioning, they are not equipped with adequate facilities such as doctors, medicine services etc. A large number of milk routes have been established, but still these are lacking in many blocks.
- (iv) As far as sericulture is concerned there was no organised market near by and people had to travel about 80 km. to sell their cocoons. This is really wast time, energy and money of the beneficiaries.
- (v) Under ISB sector watch repairer, shoemaker, bamboo worker, carpenter etc, had to travel a long distance to sell their goods, as there is no organised market. Even for purchase of raw materials they have to go either to the district headquarters or to the nearby/ adjacent district. As in the case of Mysore, loans are being the disbursed mainly to achieve the block level targets in most cases.

### 3.3.5. GANJAM & PURI:

- (i) The major schemes in Puri and Ganjam Districts come under animal husbandry, fisheries, irrigation and industries sector. As far as ISB and animal husbandry schemes are concerned, technical guidance is available to a certain extent but infrastructure is lacking. Only minimum linkages are available and marketing facility for the IBS sector has to be developed to a greater extent.
- (ii) As for the animal husbandry scheme, OMFED is taking up the establishment of milk routes in the 'Anand Pattern of Dairy', but much more is to be done. There is no pasture cultivation and there is fodder scarcity. This has led to a loss in milch cattle business.
- (iii) As far as fisheries are concerned, shortage of land for pisciculture is a major problem. Prawn culture near Chilka lake has proved extremely successful; but, this is only a small area compared to the whole scheme. Individual enterprises in sweet water fishery have not been encouraging. Fishermen felt that support systems are inadequate (especially cold storage) and they sell their output to private traders at a low price.
- (iv) On the whole linkages are available to the extent of 30% for all the schemes which is very high compared to other districts studied. According to BDO and DRDA officials of Puri and Ganjam districts, the sectoral departments, should develop the infrastructural linkages. It is not always possible for DRDA to monitor the provision of adequate infrastructural facilities. The main problem is maintenance of roads, markets and other investments and nobody is willing to make budget provision for the same. DRDA can provide upto 10 per cent of the total allotment infrastructure which is very low.

### 3.4. STAFF:

#### 3.4.1 DARJEELING:

- (i) According to DRDA Darjeeling, the staff is not adequate as far as IRDP work is concerned and more staff is needed for proper implementation of the scheme. This is also the view expressed by BDO.

- (ii) All the BDOs are also of the opinion that the staff provided for the IRDP Scheme at Block level is not adequate. As IRDP is an additional Programme for the Block along with the existing ones, it has resulted in additional work, without increase in the number of staff. Till now not a single member of staff has been appointed at the Block level specifically to deal with the IRD Programme exclusively. This meant that the personnel treat this work lightly.
- (iii) (a). The reaction of DRDA staff towards IRDP is sympathetic and they are very enthusiastic about the programme. None the less due to lac of time adequate attention is not being given.
- (b). When asked about the reaction of staff at the BDO officetowards IRDP, seven said all are involved in it, six said they are very enthusiastic about it. The remaining BDOs felt that the IRDP work is an extra load.
- (iv) For proper implementation of any scheme, it is essential to have adequate powers at the BDO level and he should get the cooperation of his staff. When asked about these factors, only one BDO said he had enough dircretionary powers, but other nine said that they do not have adequate powers.
- (v) When enquired whether the BDOs get regular and adequate guidelines from their higher authorities seven said they get regular guidelines, and six of them said they are adequate, the remaining felt that they were inadequate.
- (vi) At the DRDA office, the PO feels he does not have adequate discretionary powers. His powers are to act as secretary to DRDA Governing Body and to sign cheque upto Rs. 25000/-, and he is also the chief executive of the DRDA. None the less, the power of Project officer are not sufficient since he has to get sanction for everything, which involves red tape and delay. The function of each and every clerk/official is not clearly defined and conditions of service are also not spell out properly. They are mostly on deputation and they do not feel committed.
- (vii) Then they were asked whether they have any technically qualified staff who will help the beneficiaries in managing their assets. Four BDOs said they do have technical staff for that purpose and another four answered in the negative. When enquired whether they have any counselling sessions to help

the beneficiaries, and whether they encourage the beneficiaries to bring their problems, six of them said they do encourage beneficiaries to bring their problems, but only two said they had counselling sessions for this purpose.

- (viii) He is of the opinion that the regular guidelines about IRDP, are received very late and they are inadequate. Guidelines about implementation of IRDP from higher authorities, are not received in time. Some officials of DRDA also attended training programmes on IRDP and found them very useful in monitoring & implementing the programme. But most of the BDOs did not have any training. The BDOs are of the view that training programmes at the block level need to be strengthened for successful implementation of IRDP. At the block level, except a short training about household survey to surveyor, there is no training for IRDP. One or two BDOs have undergone some training for IRDP, and it helps them in understanding the programme and implementing it properly. All BDOs are of the opinion that there should be training programmes to educate the personnel at Block level for the successful implementation of IRDP.
- (ix) BDOs are of the opinion that they do not have any decision making power except- drawing and disbursing the subsidy. They feel that each and every scheme approved by the Block level IRDP Sub-committee should be sent under BDO's signature and seal. At present, if the BDO finds that the beneficiary is not suitable for the venture, he can only refer to Gram Panchayats for review and scrutiny. But he has to abide by the final resolution adopted by the IRDP Sub-committee. BDO does not have any hold on Bankers also.
- (x) Some BDOs are of the opinion that, for successful execution of IRDP, a separate department at the sub-divisional level with Assistant Project Officer as chairman should be set up.

#### 3.4.2 NADIA:

- (i) For better implementation of the project, it is essential to find out whether the officials have enough powers or not and what is the attitude of the staff towards IRDP. Except one all the other nine BDO's said that they do not have adequate powers to run IRDP effectively. The Project officer of DRDA is also of the opinion that they do not have enough powers and though he and his staff attended to the IRDP work, they have no direct control over the BDO's. The staff at the block



level are controlled by the opinion that VLWS the collector at the Gram Sabha level should be under the direct control of the project officer DRDA. His powers as DRDA are signing the check up to Rs 25000/-. But this does not help him to plan and administer the project effectively. He does not control and cannot take any action on the feedback. They felt that the programme belonged to Panchayat Samiti and they are only Convenor Secretary of the Subcommittee.

- (ii) When asked about the reaction of staff towards IRDP everyone said they are very much involved in it with enthusiasm. The PO also felt that there is involvement, but at the same time due to lack of adequate personnel there is some feeling of imposition.
- (iii) When questioned about guidance from higher authorities seven BDOs said that they get regular guidelines and six said they are adequate, while two said they are not adequate and the other three felt the guidance was delayed and vague. The DRDA official said that they get guidelines regularly, but very late. Mostly, they get the post copies of telegrams. They are not adequate and clear, and does not contribute to decision making.
- (iv) When questioned about attending training programmes on IRDP seven BDOs said they have attended some programme or other and everybody felt that it was very helpful. Three said they did not attend any programme. The project officer of DRDA, attended a seminar and a course on IRDP and said that he has reoriented his activities after attending the courses for the better implementation of the programme. He also felt that this helped him in the administration of DRDA. Lack of sufficient training to personnel who deal with IRDP resulted in mis-management, according to him.
- (v) The question of responsibility fixation and time scheduling of the programme implementation was asked. Eight BDOs answered that they do have a work distribution and responsibility chart. Seven of them said there is a time limit fixed for completing the job. But it was felt that the chart was not followed as it was only done adhocly. These questions were not answered by the DRDA official, as he felt that it had no relevance to reality.
- (vi) According to Project officer DRDA Nadia, Staff at DRDA is inadequate. The BDOs of Nadia district said, IRDP is an

additional work load, and they are understaffed. This results in poor service, poor monitoring & improper implementation of the programme. They need at least one more officer and two assistants at the Block level to deal only with the IRDP work. They felt that a norm should be developed with reference to the staff required for IRDP work. The posts are sanctioned when there is a pressure of work. Whenever government sanctions posts according to requirement, personnel are deputed from the other departments. As many of the officers at the BDO office are deputed from different departments they are not committed to the work. Most of them have got posted to block office in order to overcome some domestic crisis. The contention is that they are only accountable to their own parent departments. There should be a mechanism to inculcate some interest and commitment. The BDOs do not have any control on them.

- (vii) BDOS and DRDA do not have sufficient field staff and vehicles to inspect the assets and check misutilisation. Inadequate facilities deter them from actual field work.
- (viii) BDOs feel that they should have some formalised coordination system with the banks with specific reference to implementing IRDP. Discretionary powers to take joint action are needed for proper selection, effective supervision and quick execution of the schemes. One BDO feels that should everyday get extra remuneration (incentive) for handling IRDP work so that there is adequate motivation.

#### 3.4.3 MYSORE:

- (i) The staff structure at DRDS, Mysore consists of a special DC & Establishment officer, APO (AGRI), APO (CREDIT), APO (AH), APO (Accounts), APO (SLPP). To help the APO (accounts) there are gazetted Manager, Accounts Superintendent, Asst. superintendent, Accounts clerks etc. In addition to this an AEE for RLEGP, AE for Biogas plants, Assistant Geologists are also working.
- (ii) The staff strength is the same for the DRDS in each district irrespective of area and population. The officials opined that the Mysore DRDS needs APO (Industries) to look after ISB sector, of the IRDP and TRYSEM. It also needs 2 more clerks and one typist for IRDP work which has now become more or less their regular work. Almost all the BDOs are unanimous about the inadequacy of the staff at Block office and they

are over loaded with work. They do not have adequate powers. One BDO is of the opinion they do not have any power and have to submit to top officials, and at times to bank officials also. According to them it is very difficult to implement IRDP without adequate powers since it is a target oriented programme. One BDO is of the opinion that he should have implementing powers like selection of clusters, survey work, holding BLCC meetings and preparing Project Reports. He feels the subsidy releasing powers should be vested with the BDO. BDOs are also of the opinion that there are no regular and timely guidelines from higher authorities except the DCP meetings where discussions are disconnected. Officers at the Block level do not usually attend any training programmes for IRDP work.

- (iii) According to the DRDA, Mysore, the BDOs should be class I officers, At present most of the BDOs are drawn from the Agriculture Department. It is difficult for the BDO to collect information from various other departments because nobody is willing to provide the same. He has to interact with persons of higher ranks and he is ignored. The problem is all the more acute if the BDO is a junior person.
- (iv) According to the DRDS Mysore, the powers of DRDS is very much limited. Cheques beyond 25000/- has to be signed by Chairman. As per delegation of financial powers even the DC & E/O can accord sanction only up to Rs. 1500 subsidy and Chairman will sanction up to Rs. 3000/-. The present powers are not adequate and should be revised immediately. Due to inflation, the cost of assets have also gone up.
- (v) The reaction of staff towards IRDP is normally good and sympathetic but there is no involvement. The required enthusiasm is neither seen at the grass root level nor at bankers level, according to officials. According to the DRDS, Mysore, some bankers have taken IRDP as an imposition and do not care for the programme.
- (iv) According to DRDS officials, the guidelines from higher authorities, are irregular and inadequate. Even though the problems are discussed in DLCC and BLCC meetings, solutions are not being arrived at. There are no new innovative schemes.

#### 3.4.4. TUMKUR:

- (i) When enquired about the discretionary powers and its adequacy five BDOs said that the powers are adequate while other five felt that they are not sufficient. They do not have any discretionary power at DRDA level to plan and implement schemes with reference to development of infrastructural facilities. BDOs also felt that they have no powers in implementing the schemes. They are acting like a post office to clear the applications and send them to the DRDS for sanction and after sanction refer them to bankers for the release of loan. Therefore they had no involvement.
- (ii) When asked about whether they get regular guidelines from their authorities about IRDP all ten of them said that they do get, but they are delayed and inadequate. The DRDA officials were of the opinion that they get too many guidelines which are unconnected and the guidelines sometimes require special explanations. According to them seeking clarifications on guidelines the files go up and down, and this causes further delay.
- (iii) Six BDOs attended one or more training programme on IRDP and said, such training is helpful in implementation of the programme.
- (iv) To find out the reaction of the staff towards IRDP beneficiaries questions were asked regarding their involvement and enthusiasm. Out of the Eight personnel from the BDO office involved in the programme and five are enthusiastically taking it. Only two BDOs said that it is an imposition on them and one said the staff did not care about the programme. When the same questions were put to the DRDA officials they felt that there are only a few officers who are committed to the job otherwise most of them are indifferent. According to DRDA most of the staff are indifferent towards IRDP work especially at lower level, since support systems are nil.
- (v) Staff at DRDA Tumkur is inadequate IRDP has resulted in additional workload. They need at least 3 more officers and four more clerks at the DRDA level only for the IRDP work. In the Tumkur District there is a shortage of staff for IRDP work at Block office. The bankers do not think that it is viable to appoint a field officer for this work, since the rate of interest is very low. It was found that in most of the blocks the veterinary extension officers are dealing with

IRDP work.

- (vi) The extension officers also do not have sufficient motivation. People who are not wanted in the respective main departments or who want postings in a certain location are sent to the block office. They just count their time in the post.
- (vii) Though there are various types of schemes under IRDP, milch cattle scheme is most popular. Therefore, only veterinary services are given prominence. Other extension services like industry agriculture, sericulture etc, are not given importance and technical personnel with reference to these sectors are not available at the block office. In the absence of such extension officers, it becomes difficult at the implementation level to provide any guidance to the beneficiaries. Moreover DRDS, or the BDOs have no control over the extension officials even if they are available, as they are on deputation from other departments. The technical personnel have no involvement with the work.

#### 3.4.5 PURI GANDAM:

- (i) The officials of DRDA and BDOs of Puri and Ganjam districts feel that they are under staffed as far as IRDP work is concerned. Staff are sanctioned on adhoc basis. All are unanimous in saying that IRDP resulted in additional work load at the block level, and they require more officers and clerical staff.
- (ii) As far as authority delegation is concerned DRDA officials feel, that they have adequate financial powers, (cheque signing powers upto Rs 25000/-) but they do not have administrative power for actually executing the programme effectively.
- (iii) At the block level also the officials feel that they do not have any powers. They are just implementing the instructions of DRDA. They cannot take any spot decision on the basis of real situations. They also do not have any control or influence over the bankers.
- (iv) Majority of the officers who are dealing with IRDP at Block and DRDA have undergone training to deal with the programme and they feel that these training programmes enable them to understand the basic concepts of the programme and its practical applicability.

### 3.5. HOUSEHOLD SURVEY:

#### 3.5.1 Darjeeling

- (i) Household survey was done in Darjeeling in the year 1983-84. It was conducted by the Panchayat/Block personnel with the help of trained surveyors by going from house to house. Bankers were not involved in this survey.
- (ii) The data is not updated, and the survey is incomplete with reference to many items.
- (iii) Selection of beneficiaries was done according to the socio-economic conditions of the people the survey was not the basis either for selecting the beneficiary or the scheme.
- (iv) There is no preference for any age group while selecting the beneficiary but persons above 55/60 years were not considered for this purpose.
- (v) The number of women beneficiaries accounts for less than 20% to 30% of the total number. Their selection has no bearing on the household survey.
- (vi) Family tradition, past experience, training and availability of resources are not taken into account while selecting the schemes.
- (vii) Even while training to young people under trysem, the household survey is not used as a bench mark.

#### 3.5.2 NADIA

- (i) Household survey in Nadia district included all the families in the village, lease holdings etc. It is done from the 1st month of every financial year. The survey is conducted by surveyor who was given a short training by the DRDA office.
- (ii) Lack of training to VLWS for household survey leads to improper surveys. Therefore the economic status of selected beneficiaries remains questionable.
- (iii) Individual beneficiaries are selected by DRDA, and bankers are not involved. There is a tripartite inspection of the selected beneficiaries, by Panchayat Samiti, Block officials

and officials of DRDA.

- (iv) For selecting the beneficiaries, scattered approach is followed instead of the cluster approach according to one of the BDOs. Political interference also has a say in the selection to a limited extent.
- (v) Traditional occupation and past experience are taken into account while allocating the schemes under IRDP, but the information base is weak and the selection becomes wrong.
- (vi) No family plans are made, but the surveyor with the help of the Panchayat members assess the family needs, aspirations and interests and in consultation with the beneficiary selects the scheme. But there is no scientific approach.
- (vii) Though no particular age group is given preference during selection, preferences are given mainly to skills, profession, inclination of the beneficiaries. Therefore, old people and women are not given schemes where hard labour is involved.
- (viii) Number of women beneficiaries varies from a 2% (very low) to 20% (maximum) of the total number of beneficiaries selected. There are no separate schemes for younger generation, but they are given training under Trysem.

### 3.5.3. GANJAM & PURI

- (i) The household survey in Puri and Ganjam districts was done in 1981- 82. It was done at the block level by door to door approach. The village level workers, with the help of local school teachers and sarpanch, conducted the survey. Bankers were not involved in this survey.
- (ii) The survey details were not updated, and they were incomplete with reference to certain items.
- (iii) According to DRDA officials, preference is given to the productive age group, (25-50 yrs) but some BDOs are of the opinion that no such preference is given but selection is done on the basis of their economic condition.
- (iv) The family members, VLW and extension officers are involved in deciding the schemes for the household. Plans for younger generation and women are not given much importance as the

demand for schemes from existing capable members of the household is fairly high.

#### 3.5.5.TUMKUR:

- (i) Household surveys are conducted every year in Tumkur District. Village accountants conduct the survey under the guidance of BDO. But the rural inhabitants felt that most of them were not met. Banker are not involved in the survey.
- (ii) There is no preference for any age group for the selection of beneficiary under IRDP.
- (iii) The number of women beneficiaries is very low. There are no special schemes for them. Their selection is not based on household survey.
- (iv) While selecting, traditional occupation and past experience is taken in to account. Younger people are given training under TRYSEM but it was seen the schemes in 50% of the cases are not related to the training.

#### 3.5.5.MYSORE:

- (i) According to DRDS Mysore the household survey was done in Oct. Nov. 1983. They have circulated IRDP survvvey form to each taluk and the list of eligible families were prepared in 1983. Door to Door Survey was done by the VLW with the help of local village people. After that, there has ben no updating.
- (ii) Thereis no preference for any group as such for the selection is of beneficiaries.
- (iii) 20% of the beneficiaries are women but this selection is not based on household survey.
- (iv) Past experience is taken into consideration while selecting the scheme, but animal husbandry scheme is the most preferred one. The schemes suggested by NABARD are also being explained to the beneficiaries and suitable schemes out of them are selected in some cases.
- (v) BDOS are also of the opinion that there is no preference for any age group and women in particular. But in some blocks the



women beneficiaries account to 10 to 15 per cent and 25 per cent are of SC/ST group.

- (vi) According to some of the BDOs most of the beneficiaries neither have the capacity nor motivation to work. Therefore it is difficult to generate income out of the assets provided. This is due to lack of education and training. They feel discretion with reference to selection of beneficiary should be vested with the BDOs.

#### OTHER PROBLEMS:

##### 3.6.1 COORDINATION:

- (i) All the officials (100%) found that coordination between the involved agencies is very minimal and cumbersome which led to problems in follow-up, supervision and monitoring. Linking the schemes to a number of agencies for subsidy, margin money and loan resulted in late implementation of the scheme, due to delay at every point.
- (ii) The procedure for financing the schemes by three different agencies i.e. DRDA, SOTW, and SC & ST financial Development Corporation are different and they are not coordinated due to communication gap.
- (iii) It was also felt, as the concentration of big industries are at the State head quarters, selected viable ISB schemes which are dependent on big industries are difficult to be implemented at the village level. There should be at least one officer exclusively for IRDP ISB work at the block level to help the BDO in monitoring and supervising the programme. There is lack of coordination between the bankers and the Block officials. The bankers blame the block officials for delay in the submission of loan applications and the release of subsidy in time and the block officials blame the bankers for the delay in sanctioning the loan. It was mentioned by some of the respondents that the bankers do not participate in the camps organised for the selection of the beneficiaries. The bankers blamed the officials for not participating in the recovery camps. Some respondents mentioned that the bankers considered it to be an imposition on them and as such they do not show much interest. There is a bank Vs block authorities rivalry in matters of implementation of the programme. They blame each other for the failure of schemes and they fight for one upmanship.

### 3.6.2. EDUCATION:

- (i) No effort has ever been made to educate the beneficiaries about the schemes. This can partly be attributed to the shortage of staff at the block level and bank level and partly to the attitude of the staff who consider it to be an imposition. There are also no facilities to train the beneficiaries in various vocations except under TRYSEM, which is also not effective.
- (ii) Since the majority of the clientele group is uneducated, they do not know what is good for them. Some are indifferent also. Some think it is just a dole and use it as consumption loan. There is misutilisation of assets to a great extent.
- (iii) Due to lack of education, beneficiaries are reluctant to take up new schemes. Beneficiaries always want to have only traditional schemes like milch cattle, bullock cart etc. which may not be viable in the long run if given in large numbers. Proper vocational training should be given and new innovative schemes should be introduced depending upon the local resources available and the prevailing infrastructural facilities.

### 3.6.3 ATTITUDES:

- (i) Disbursement of loan should be made easier. Attitude of the bankers should be changed. In some cases while the subsidy was released in 1982 the loan is still not being released. Bankers are very reluctant to disburse loans to the beneficiaries without security. Adequate amounts are not sanctioned and the scheme becomes a failure especially in the ISB Sector. Therefore the finances are wasted. The outlook of the bankers should be changed so that adequate finance is given to the beneficiaries and the programme may succeed. Attitude of the beneficiaries is also not encouraging in most of the cases. They are influenced by the local leaders. They are of the opinion that the loan taken from the banks are free donations.

### 3.6.4 PROCEDURE:

- (i) Even though procedures are laid down, in practice they are cumbersome. In many cases especially due to ignorance and illiteracy of the beneficiaries the procedures are

unpracticable. Sometimes, even the staff at the BDO/DRDA offices were not able explain the procedures clearly. Most of the BDOs and DRDA personnel of the districts feel that they do not have standard rocedures, format etc. it is a time consuming process, with which neither the beneficiary nor the officials are happy. Household survey, beneficiary identification, selection of schemes, purchase of assets, and sanction of loan applications are required to be done simultaneously by all agencies concerned. But in practice, not only coordination is very difficult, but planning suffers.

### 3.6.5 VIABILITY OF SCHEMES

- (i) The additional work load due to IRDP is too much and the field officers almost leave the choice of schemes to the beneficiaries who have hardly any knowledge about it. They do not guide them. The unrealistic, big target also pushes them to a corner and they accept all schemes wihtout proper assessment. Selecting 600 beneficiaries in a block every year and giving them viable schemes is not an easy task. In many blocks, schemes which are very much suited to the location and climatic conditions, are not adopted due to non-availability of proper infrastructural facilities and training. Selecting viable schemes is a problem, since the costs/revenues worked out either by Nabard or the GOI do not really reflect either the current inflationary or the locational costs and revenues. 80% of the BDOS from all the districts felt that 70% of the schemes were not viable in their area 90 percent of the schemes which are sponsored by IRDP, are milch cattle in majority of the Blocks. Since the beneficiaries are expected to select the schemes on their own it is difficult for them to decide which is a viable scheme. Therefore everybody goes in for milch animal as they think that it is very easy to manage Getting good animals is a problem. According to some BDOs, some cases have been identified where actually new animals are not bought but old animals change hands. But the BDOs are not able to do anything in this matter. There is not enough fodder for these animals. In some taluks to feed an animal costs about Rs. 10 to 12 per day. As he cannot afford this, the milk yield is less the project is not viable and he cannot repay the loan. There are no proper milk routes and markets in many taluks. Tie up with milk societies also creates problems. Sometimes beneficiaries do not sell their milk to the societies; instead they sell in the private market to get more money. Only one veterinary doctor, one agriculture extension officer

looks after the whole taluk. In one taluk, only one mobile vet unit operates for 150-200 villages, which is really not enough.

- (ii) It was also found that no inventory of local resources has ever been made. In the absence of such an inventory it may not be possible even for the extension officers to decide which are the other viable schemes. No new schemes have also been introduced; so choice of schemes is limited. It was mentioned by some of the respondents that since it is a target and expenditure oriented programme, the idea is to give some scheme or the other to the beneficiaries without assessing the viability in that particular location. Schemes are thrust upon the beneficiaries in order to achieve targets. The beneficiaries and the block officials lack perspective planning.

#### 3.6.6 BENEFICIARIES:

- (i) Political influence and nepotism at the village level in identification of beneficiaries results in wrong selection. Wrong identification of beneficiaries also lead to problems. Either they are not sincere or they do not fit into the schemes. Therefore, the attitude of the beneficiary is negative leading to problems. This attitude factor of the beneficiaries has been stressed by all the block development officers and DRDA officers. We have extreme situations. One in which the beneficiaries are under the impression that IRDP is a government scheme where they are given a grant to remove poverty and they need not repay it. In the other end of the spectrum, we have the indifferent attitude of the bankers who still insist on security for the loans and drives away the beneficiaries. Therefore we have beneficiaries who either run away with the money or who do not get anything. We have beneficiaries who are interested in getting the money. They are willing to part with Rs. 500/= to the middlemen if they can get Rs 1500/= as subsidy. They return the loan portion to the bank.

#### 3.6.7. POVERTY LINE:

- (I) In the absence of proper socio-economic survey, economic status of the selected beneficiaries remains questionable. The poverty line is so low that it is difficult to get 600 beneficiaries from a block. Many individuals tell lies to get benefits. In some blocks, the number of eligible beneficiaries

is greater than 600. All the officials at BDO office and DRDA are unanimous in saying that 50% of the beneficiaries wish to convert the credit into consumption loan. They do not bother to utilize the asset properly and do not generate income out of it. The family income limit should be increased in view of the inflationary conditions. It is very difficult to determine the income of the beneficiary and other indicators to determine poverty should be developed.

#### 3.6.8. RECOVERY:

- (i) Recovery is not satisfactory because of lack of persuasion from the bankers, and government Officials which again is the result of lack of sufficient staff. Another reason for non repayment of loans is the extreme poverty of the beneficiary and the insufficient assistance from IRDP. Due to the non follow up by banks and Panchayats, recovery is not up to the mark. Local politics also play a major role in non-repayment of loans. Even the recovery problem is mostly due to the fact that the beneficiaries were not forced to return the money.
- (ii) Influence of local politicians and leaders is spreading resistance amongst beneficiaries with regard to repayment of loan instalments. Banks do not have sufficient staff for this purpose and the block and DRDA officials are not involving themselves fully in the recovery of loans.
- (iii) Mention was also made by the respondents about two types of defaulters (i) wilful defaulters and the (ii) genuine defaulters. It was told that some beneficiaries under political influence do not like to repay the loan though they have the capacity to repay it. The second category of beneficiaries are not in a position to repay the loan, which could be due either to non-viability of the scheme or to some natural calamity which results in misutilisation of assets. It was mentioned by some of the respondents that in such genuine cases, the banks should not follow the repayment schedule strictly. They should rephase the loan repayment schedule. The bankers should also try to educate the beneficiaries about the necessity of repayment. The repaying capacity of the beneficiary should also be taken into consideration while fixing the installments. It is felt that there must be an IRDP committee at the Gram Panchayat level consisting of Pradhan, member secretary and a member to look after the implementation of IRDP and recovery of loan.

### 3.6.9 DELAY:

- (i) Due to heavy political pressure for extensive sanction of schemes for a large number of beneficiaries, sanction of subsidy at the DRDA level and sanction of loan at the bank level are delayed. Some times the bankers fail to sanction loans but the subsidy is released. There should be a time limit for sanction and disbursement of loan by the banks on the duly sponsored cases, so that money is given to beneficiaries quickly.

### 3.6.10 POLITICAL PRESSURE:

- (i) It was mentioned by majority of the respondents that due to political influence wrong people are selected who do not come under the category of BPL (below poverty line). The local political bosses take keen interest in the selection and sanctioning of loans to the beneficiaries. It was also seen that since people do not come out with truth in the Gramsabhas organised for the selection of the beneficiaries, wrong people are selected. Sometimes officials also connive with the rich farmers. In this connection it was mentioned that in one of the Blocks during 1984-85 a practising lawyer got a loan for sheep rearing. One respondent even mentioned that in his block it was found that the veterinary doctor took a bribe of fifty rupees from the people for selecting them as beneficiaries.

- 3.6.11 Under ISB rural artisan scheme, in one cluster, finance was given to rope making. But there is no facility to get the raw materials or market to sell the finished product. In blocks like K.R. Nagar where the loans were given for mat weaving and pottery there is no proper market for the product. They had to sell their goods in the cities and they cannot compete with others as their goods are not of superior quality. Similarly in Nanjungud Block the silk cocoons of the IRDP beneficiaries are sold cheaply to private silk dealers due to lack of proper marketing facilities.

### 3.6.12 MONITORING AND SUPERVISION:

- (i) Majority of the respondents mentioned that there is no proper system of monitoring and supervision. This could be attributed to two factors (i) lack of personnel at the grass root level, (ii) lack of training for the existing personnel.

Monitoring and evaluation is only limited to the physical verification of the assets, even when done. Lack of sufficient infrastructural facilities like road, vehicles etc. also lead to inadequate supervision.

- (ii) As regards the problems in sanctioning the loans it was mentioned that bankers made the beneficiary go up and down unnecessarily. But BDOS said that sometimes their applications are incomplete and this delayed the sanctioning of the loan.

### 3.6.13 REPORTING SYSTEM

- (i) Lack of proper reporting system between the bank branches, DRDA office and B.D. office lead to lot of problems. The problem is basically due to lack of standard format, training and staff. The frequency, size, the contents of the reports should be standardised so that the data is available at any moment. Another problem due financial year is inadequate reports. When IRDP activity is at its peak in the months of December-February, the banks are also busy with their yearly closings and find no time for IRDP work. They ignore the block level officials and do not send the detailed report on disbursement, rejection and pending cases; this in turn results in incomplete reports of BDO to DRDA. Therefore the exact position is not known till February. Then the govt. officials have to work especially to achieve targets, which really ends in wrong selection of schemes and beneficiaries.

### 3.6.14 COOPERATIVES:

- (i) According to all the DRDAs, there are quite a number of cooperatives in the districts like Himalyan Milk Producers Cooperative Ltd., Mirk Primary Agricultural Cooperative Marketing Society, Fruit Processing Society, Fisherme's Cpperatoves etc. In the operating areas of these cooperatives, efforts are made to link IRDP through cooperative organisation. In some cases of credit is also given through them. BDOs are also of the opinion that since the cooperatives are already functioning at the grassroot level IRDP credit should be given through them. But it was seen that the cooperative Bank at the district level does not particularly want to involve itself with the IRDP loan.
- (ii) There are other cooperative societies at the block level but there is a lack of awareness among the members about the

IRDP credit. Primary agricultural societies are reluctant to disburse loans, because of the problem of recovery. Moreover Panchayats are also not interested in sponsoring the cases because of the share capital to be paid to the PACs by the beneficiaries. But now the Government is subsidizing the share capital to the tune of RS. 50/- per beneficiary under the universal membership scheme.

- (iii) Central cooperative Bank whose branches are in the Panchayat Samities and the Handloom cooperative society should be linked with IRDP. Initiative should be taken at the District level through Lead Bank to develop these linkages.

#### 3.6.15. COST NORMS:

- (i) According to all project officers of DRDA, the NABARD specification of unit cost is taken into account in most of the cases or the uniform credit pattern is followed irrespective of project needs. It is felt that wherever necessary, IRDP subcommittee should suggest location wise, scheme-wise unit cost. Project cost should be prepared in consultation with lead bank manager and technical Departments of the District, looking into the viability of the project.
- (ii) BDOs are also of the opinion that unit cost given by NABARD is not always realistic as it does not take into account inflation in prices of the project materials and also differences in location etc. For eg:, the amount sanctioned for a horse-cart is Rs. 2500 where as a good horse cart in two of the blocks costs 3500. In handloom sector also, the finance given for loom (Rs. 1800) and yarn (Rs. 700) is not adequate, since the cost of loom is Rs. 2500 and they require yarn for atleast Rs. 1200 to breakeven. These are examples of inadequate financing norms.

#### 3.6.16. INFORMATION SYSTEM

- (i) The officials of the BDO/DRDA did not get information about the background (education, attitude, occupation etc) of the beneficiary in time, before a decision with reference to schemes are taken.
- (ii) The officials of the BDO/DADA do not get the information in time about the current level functioning of the individual schemes.



- (iii) The officials of BDO/DRDA do not have an idea about the cut off points for particular schemes in a given location. For e.g., if the chilling plant in a particular locality has a capacity of only 2000 litres, then they should not distribute cattle more than a certain number, so that the output in the locality is less than 2000 litres. The number of schemes should be related to raw material availability, demand, and other infrastructure facilities.
- (iv) The officials of BDO/DRDA do not have any idea about the supply/demand position for the output of the various programmes. Schemes were started without any forward planning.
- (v) The BDO/DRDA do not also have the current data about standard costs, prices, viability of the projects. All they have are outdated uniform costs and prices. They do not take inflation into account.
- (vi) The officials of the BDO/DRDA do not get bank papers in time with reference to terms and conditions like repayment, interest etc. They do not discuss these matters from time to time either with the beneficiaries or with the bankers.
- (vii) They do not have an information sheet with the names of beneficiaries, loan amount and the dates of repayment, repayment amount, interest and other particulars. Therefore they are not able to help in recovery of loans/interest even if they want to.

Discussions with the Development Commissioners of the three states and the six district authorities brought out the problems in decentralised planning.

#### I. DATA PROBLEMS:

- (i) The greatest task was to get the required data in time for planning. The district plans could not be formulated properly due to lack of availability of reliable and adequate data. Sheer number, diversity and the spread are the basic causes for this short-coming.
- (ii) There were also problems in classifying and accumulating the data to make it available in the proper form. There was no standard system even within a district/State.

- (iii) There was no trained manpower for this particular job and the officials at the block level were novice.
- (iv) Even though the computational work in the district planning units increased., they did not have mechanical/electronic computational facilities. This led to processing delay. The delay in data availability and processing, led to it being stale and useless. The personnel should be trained in using personal computers.
- (v) The quality of data was very poor. Therefore it was not resilient and lacked predictive ability. It could only be recorded as past historical data; but it was useless for planning purposes. Long-term policies should generally be formed only after an inter departmental analysis of comprehensive data. Since it was not available, the gap between the macro-policies based on total averages and micro implementation increased.

## II. CONSISTENCY & CONTINUITY IN PLANNING:

- (i) In one of the States under study, special training was given to a few officials at the district level in the preparation of District Development Plans. But it so happened even before the trained manpower were at the job, States Annual plan was formulated independently of District Plans. Hence there was no positive effect of training. The following deficiencies were noted:
  - (a) the sectoral priorities determined at the district level did not coincide with the priorities at the States' level;
  - (b) The outlays required for different schemes within the sectors did not coincide with the outlays decided by the District Development Councils based on States' Annual Plan.
  - (c) The location of works for infrastructure development also did not coincide, due to this. Because of poor feed back the DDP was modified at the State Government level. This led to difficulties in implementation.

- (ii) The viability of different schemes were not properly scrutinized at the district level and they had to be abandoned later on due to its inapplicability in the district.
- (iii) There was no proper bifurcation of schemes between the State and the districts. This led to wrong planning and adhoc decisions.
- (iv) In one state, the District planning machinery did not have scope for determining sectoral priority, since the minor headwise allocations for each sector were indicated from the State level and imposed on them; the DDC also did not have the freedom to determine the priorities within the schemes of a particular sector; but they could do so within the schemes falling under the same minor head. This is not really decentralized planning.
- (v) The special programmes like NREP, IRDP, SLPP etc. were not properly integrated with the normal plan programmes even though there were many instructions and assurances to that effect. Generally, the regular plan programmes were formulated in September/October (in all the 3 states covered under the study and finalised in February 1983-1984 for the next financial year. But on the other hand, the plan formulations of special programmes were done in May/June 1983-84 to be implemented in the same year. These were approved by SLCC only in July/August, 1983-84 making it very difficult to incorporate them in the plan.
- (vi) Each department formulated its own programme oblivious to the inter-related programmes of other departments. In many instances vertical linkages were worked out clearly within a department, but the horizontal linkages were lacking.
- (vii) Due to (5) and (vi) the coordination problems discord in the programmes increased geometrically.

### III. MANPOWER BUDGET FOR PROGRAMMES:

- (i) Preparation of the manpower budget was the most difficult and it was never done. Basically, they could not assess the employment potential of the on-going programmes, complementary investments and new projects. They also could not assess the type of training required for the employment

potential. There was always a mismatch and they did not have properly trained personnel available in time and place.

- (ii) The employment information was not available blockwise or for cluster of villages. There were no norms of employment generation for different programmes in different regions. Even in the IRDP programmes, when the beneficiary is given assets some employment is generated. For example, with reference to minor irrigation pump sets schemes and transport operators schemes, repair mechanics are needed to be trained in each sphere. This employment opportunity is not envisaged and there were no trained mechanics available in the rural areas.

#### IV. ORGANISATION PROBLEMS:

- (i) There was no coordination between the state level officials and district officials. The same was the case between the officials of the functional departments and district commissioner's office. The functional department officials were unwilling to get away from their system of line-administration. They implemented their State level departmental plans as handed down to them. It was like a gospel. Since the priorities in the two plans did not coincide in it led to problems of coordination. The functional personnel were directly assessed by their own departmental bosses and there was no responsibility accounting with reference to achievement of targets set by the District Development plan. This compartmentalised approach led to conflict.
- (ii) Officials were overburdened with too many programmes. They could neither differentiate between the programmes nor integrate them. Sometimes they were overlapping and they had also to deal with too many agencies.
- (iii) The complete authority to carry the team with him was not delegated to district collector and he was not able to exercise full command of the team with reference to plans and programmes.
- (vi) At the field level, the organisations did not have the powers to sanction innovative locational schemes and they had to go to the State headquarters. This delayed the process of implementation. Decentralisation of administrative and financial powers are necessary to achieve the goals.

- (v) At the bank level, the bank officers always followed their own bank's yearly targets and plans. The DCP was not binding on them according to the district level officials. It was treated as a guide by most of the bankers. Wherever the DCP could be accommodated in their bank's plan, they did it. The DCP did not have the first priority.
- (vi) The frequent changes in the District Development Plans, should also be reflected through changes in the allocation of credit. But in reality this could not be done. It takes time to get the changes sanctioned from the State head-quarters. This delays the whole system and an imbalance sets in. Many times, at the end of the financial year (both in Dec.(banks) and in March (Govt.) this happens twice in a year) expenditures on schemes were incurred adhocly to achieve the financial targets, without any relevance to other aspects.
- (vii) The officials at various levels have to visualize the various developmental programmes of the State and formulate schemes. They do not understand the limitations at the district level with reference to implementation of the the plan. Sometimes vague big plans are formulated without any idea of practical feasibility.
- (viii) The instances of imbalances within the district were not taken into account. Some districts had hilly areas, and some were rough prone to draught, flood etc. The natural endowments in some areas were in contrast to the remaining areas. The uneven development of the district made it necessary to decentralize planning to the block level. At the block level, there was no proper organisation for planning and the district authorities did not give proper attention to block level planning. The sub-committee of the Development Council was never constituted in some blocks (covered under the study) for the purpose of preparation of proposals for the Block Development Plan.
- (ix) Most of the block level plans were a number game of allocations flowing from the conceived annual budgetary plans of the district and the allocations did not correspond either to the demand requirement or to the resource-base. Just like the state government which follows certain criterias for earmarking funds to be distributed among districts, the DRDC is also expected to carry out an exercise to allocate funds between District level schemes and Block level schemes, on the basis of population, area etc. But in

reality, there were no norms or proper system for allocations and nearly 75% were adhoc decisions.

- a. The schemes were not properly demarcated.
  - b. The financial and other resources required were never properly quantified.
  - c. They were always short of financial resources and therefore they resorted to across the board cut of allocations without evaluating the effects of the same on schemes.
- (x). There is administrative indifference at each level and the relationship between the multiple agencies responsible for implementation of rural development programmes did not have effective statutory and functional linkages. There were grey areas in which responsibilities could not be pinned. The different agencies involved in the process were engaged in a silent war to prosper at the cost of the other.
- (xi) People's participation in the real sense was not found in all the blocks and districts, except that at the local level it is confined to receiving benefits by those who belong to target groups.
- (xii) The concept of democratic decentralization was not considered seriously by the State Governments and the idea of decentralised administration was given only lip service.
- (xiii) Some programmes were imposed too quickly on a semiprepared administrative infrastructure, with an inadequate socio-political infrastructure. This led to dilution of sincerity and effort, resulting in hypocrisy and corruption.

#### 7. MNP NEEDS:

- (i) An important component of decentralised planning was always left out, that is, decisions with regard to the provisions of economic and social facilities like health educational facilities, drinking water, rural roads, rural electrification, housing, veterinary institutions, rural godowns, industrial sheds etc. at appropriate locations. This situation is a constraint on the beneficiary of the IRD programme. Therefore either the beneficiaries or the programme could not achieve the expected results.

- (ii) There were no norms with reference to MNP needs and there was no guiding criterion for each block/Taluk/population/distance. For example, having a secondary school within a radius of 2 kms. for a population of 5000 can be a norm. Another example, minor irrigation works should be located in areas where the bulk of the beneficiaries are marginal & small farmers. This not only involves decisions with reference to the number of each MNP item, but also the crucial question about its location. It was seen that the decision with reference to exact location was finally influenced by political considerations ignoring objectivity. (In all the six districts this has happened with reference to one or other scheme).

#### VI. IMPLEMENTATION PROBLEMS:

- (i) Insufficient forward planning with reference to inputs had cumulative adverse effect on implementation of programmes. The general scarcity of inputs also acted as a big constraint.
- (ii) High inflation in local construction costs necessitated reductions in the size of infrastructural developments. This also led to poor performance of IRD Schemes.
- (iii) Implementation of infrastructure development was constrained due to excessive delay in approval of projects, procurement decisions and approval of contracts.
- (iv) Slow procedures and red-tapism led to cost and time over runs, in the development of infrastructure. This led to ineffectiveness of the IRD programmes and money, by itself as an input of development, could not achieve any result.

#### VII. MONITORING PROBLEMS:

There were no performance indices, and plan/ budgetary targets were never achieved in each sector. Mostly, the performance budgets and follow up formats of the Government regulated the flow of funds to various sectors and schemes and had no relevance to end performance of assets in generating income. The sanctioned expenditure was fully incurred by all the three states/6 district/ 60 blocks. But whether this exercise of spending led to any incremental economic growth or income generation was never monitored. A control system to regularly tackle the situation was

lacking. Even when the beneficiaries had problems, the officials never got a feed back.

Serious deficiencies were also found in the delivery system (administrative apparatus) at the State level.

- (i) The programme has not been treated as a central programme of every development department. This is treated as a parallel programme independent of all other programmes of the Government. The result of this isolation was that the infrastructure (linkages) support was not available in time. The IRDP did not establish horizontal and vertical linkages with other development programmes of different departments like agriculture, irrigation, animal husbandry, fishery, industries etc. The other planned investments of Governments continued uninfluenced by this programme. For e.g., when a milch animal was provided to a beneficiary, the necessary infrastructural support like veterinary care, breeding facility, supply of fodder and feed, marketing facilities like cooperative societies, chilling plants, constructions of roads, communication facilities etc., were neither planned nor realized as necessities. The infrastructural development programme was neither linked nor correlated to IRD programme. The programme only arranged for a transfer of assets without back-up services. Therefore, the beneficiary could not generate the expected income, and either died or the assets were misutilised. the animal died. The result was that even though the beneficiary tried to enter the mainstream of production activity, he could not sustain due to lack of linkages. The DCP did not provide for all this, as they were not envisaged in the DDP.
- (ii) The tribal and backward areas have shown practically no improvement even though there were short-run gains. The banking infrastructure in these areas were very inadequate, and there was no motivation.
- (iii) In our random sample of 203 beneficiaries it is seen that 95 belonged to ISB sector including 32 rural artisans. It is seen that the percentage of non-agricultural occupations are about 46 per cent, but most of them are in small business like cycle repairs, and kirana shops. Rural artisans formed only about 15 per cent. The necessity to reduce the burden on agriculture as a whole including allied activities was not envisaged and the shift to non- farming sector was slow. The state industries department was expected to provide the



necessary linkages, and even though there were some assurances, in reality there was no serious assistance except oral or verbal commitments.

- (iv) Unless a captive market is provided for the goods produced by the rural artisans, their decline cannot be prevented. It was felt what the K.V.I. Boards could not achieve in the last 3 decades is not going to be achieved by IRDP.
- (v) Even though the SC/ST beneficiaries received the assets, the programme did not give them other linkages of health, education and social welfare, and there was only a short-run gain.
- (vi) The amount of investment in the IRD Programme was so low (even below the critical necessary requirement) that it was not enough to give adequate surplus for rising above the poverty line. The beneficiaries who were far below the poverty line, could not reach it at all. While selecting the beneficiaries preferences have been given to beneficiaries who are on the border line.
- (vii) There was no additional staff support in the rural areas. Most of them were deputationists and they did not have any involvement in the programme. Their motivation was very low. They wanted to come on deputation in order to solve their own personal problems.
- (viii) The personnel at the field level did not have any training to enable them to handle individual oriented programmes like IRDP. Till recently, all programme were for the society as a whole, and the approach was different. The required change in approach and attitude did not take place.
- (ix) The success of the IRD Programme depended on the persuasive talent of the officials and the package of economic activity which is individual-location-specific. An important component of the main work of the officials was motivating the individual. In order to motivate another person/individual, we need individuals who have certain basic qualities like selflessness, workaholic, etc. The personnel lacked these qualities, since they themselves were not motivated to do the job due to problems like inadequate salary, poor facilities, drudgery, no guidance etc. Therefore, to expect to act as catalyst was wrong.

## CHAPTER - IV

### FINANCIAL SUPPORT FUNCTION

Financial Support is the flow of money required to implement the plans and programmes. Resources had to come from the banking System, which through its network of rural banks and rural branches tried to raise to the situation. The main basic question whether the financial Support function and the Administrative Support function integrated is still to be answered. If there had been problems, what were they? The project team sought to achieve these through a series of interviews with the bankers. It is very important to understand, the study is with reference to block level administrative & financial support functions. Therefore by providing timely credit, the finance function forms part of the implementing agencies.

#### 4.1 PLANNING

Considering the problems arising out of the centralized planning both with regard to articulating the needs of the people and also its implementation, planning function was decentralized and DRDA is an outcome of that. However for planning to be effective and realistic and its implementation to be speedy, a greater degree of coordination is required between various units. Planning should not be in a vacuum; it has to take into account the credit requirements and the supply of credit. It has to interact with the financial support. Also there has to be greater degree of communication at various levels for flow of essential information. Keeping this in view the study had probed to find out the level of awareness of bankers about the different types of plans, and whether they had access to the plans, and their contribution and involvement in the planning process, if any.

TABLE 4.1 : SHOWING THE FORMULATION OF FIVE YEAR PLANS BY  
DRDA IN THE STATES, AS PERCEIVED BY BANKERS.

Preparation of five Year plans	Karnataka	Orissa	West Bengal	Total
Yes	24 (40.0)	18 (32.0)	21 (42.9)	63
Not prepared	11 (18.3)	10 (17.2)	11 (22.4)	32
Not certain	30 (41.7)	30 (51.7)	17 (34.7)	77
	60	58	49	167 (100)

a. Knowledge

Long term perspective development plans are to be prepared on the basis of available local resources within the framework of National and State plans. These plans should be prepared sectorwise, scheme wise, district wise and Block wise. In the Five Year Plans, the sectoral plans developed by different functional sectors after establishing the linkages are to be integrated to arrive at an homogeneous plan for the district.

From the responses tabulated (Table 4.1), with reference to knowledge of these plans it is revealing to note that in Orissa only about one third of the respondents have affirmed that Five Year Plans are prepared at the district level and about 17.2 percent of the respondents have negated this fact. It is however striking to note that a majority ranging to 51.7 percent are not definite about whether they are prepared. As compared to Orissa, the situation is slightly better in case of Karnataka and West Bengal where about 40 percent and 42.9 percent of the respondents respectively have affirmed that Five Year Plans are prepared at the district level. If our data is any indication of the awareness of officials with reference to preparation of long term plans at the district level there is certainly an indication that the situation is rather grave. This shows that despite all emphasis on district level planning these plans are not communicated to the officials of the financial support function.

## b. Availability

- 4.2 If these plans are to be implemented they should be made actually available to the various implementing agencies in time so that they are able to mobilize resources, manpower and material and gear their organization to the requirement of the plan. It is therefore a pre-condition, that the plan be made available before the implementation. The respondents were asked to state whether these plans are available in their offices. Their responses after checking the records are given in table 4.2.

The table 4.2 indicates that in Orissa and Karnataka about one fifth of the respondents only mentioned that the long term District development plan was available to them, whereas in West Bengal about one third of the respondents have affirmed that the plan was made available. It is striking that in the Mysore district of Karnataka, out of the 31 respondents only in one case the response was affirmative. It is really alarming that in 42 percent of the responses in Karnataka it was negative and in the remaining cases it was ambiguous. In West Bengal about one half of the respondents were not certain about the availability of the plan or aware of the same. Totally, only 23.3% of the respondents had the plans.

TABLE 4.2 SHOWING THE AVAILABILITY OF PLANS  
WITH THE BANKS IN THE BLOCKS

Availability of plans with the Banks	Karnataka	Orissa	West Bengal	Total
Yes	12 (20.0)	11 (19.0)	16 (32.7)	39 (23.3%)
Not Available	25 (41.7)	33 (56.9)	9 (18.4)	67
Not Fully Available and uncertain	23 (38.3)	14 (24.1)	24 (49.0)	61
	60	58	49	167

Following the above the most logical question to be enquired was to find out the time of availability of the five year plan. But as indicated above the question became redundant to a certain extent, since the majority of the respondents either did not get a copy of the plan or were ignorant about the preparation of such a plan. Their responses are given in table 4.3.

It is striking to note that in the three States studied, only 11.7 percent, 13.8 and 18.4 percent of the respondents in Karnataka, Orissa and West Bengal respectively were able to get the plans in time to make their credit plans for the next year. Less than 15% (15+9=24) of the respondents were able to get the plans in time.

TABLE 4.3: SHOWING THE TIME OF THE AVAILABILITY OF DEVELOPMENT PLANS WITH THE BANKERS.

Periodicity of availability of plans	Karnataka	Orissa	West Bengal	Total
Two years before	6 (10.0)	5 (8.6)	4 (8.2)	15 (9.0)
Last year	1 (1.7)	3 (5.2)	5 (10.2)	9 (5.4)
Few months back	1 (1.7)	1 (1.7)	-	2
Did not know when	4 (6.6)	2 (3.4)	7 (14.0)	13
Not Applicable	48 (80.0)	47 (81.1)	33 (67.6)	128
	60	58	49	167

4.4 In order to ascertain their knowledge about the involvement of various other agencies in the planning process, the respondents were asked to identify not exactly the agencies but just indicate the number of agencies involved in drawing up these plans. Their responses are given in table 4.4.

It is observed from table 4.4 that there is a wide range of variation in the perception of the respondents relating to just the number of agencies involved. In West Bengal, about 51 percent of the respondents have indicated about the involvement of 2 or more agencies in planning, about 41 percent mentioned about the involvement of more than two agencies, whereas in Karnataka and Orissa out of the 35 percent and 42 percent who answered about the involvement of agencies in the planning about 25 percent and 13.8 percent have mentioned about the involvement of more than two agencies in the preparation of five year plan. It may be noted here that 5 percent and 5.2 percent of the respondents in these states have mentioned about the involvement of only one agency in planning. This according to them meant only the DRDA. It is striking to note that more than half of the respondents (bankers) in all these three states have shown their ignorance about the involvement of various other agencies in the preparation of five year plans. Therefore it is obvious that the Financial Support function is not only not involved, but also not kept informed.

TABLE 4.4 SHOWING NUMBER OF AGENCIES INVOLVED IN THE PREPARATION OF FIVE YEAR PLANS.

No of Agencies	Karnataka	Orissa	West Bengal	Total
One Agency (DRDA)	3 (5.0)	3 (5.2)	--	6
Two Agencies	3 (5.0)	14 (24.1)	5 (10.2)	22
More than two agencies	15 (25.0)	8 (13.8)	20 (40.8)	43
No knowledge	39 (65.0)	33 (56.9)	24 (49.0)	96
	60	58	49	167

#### 4.5 ANNUAL ACTION PLANS

Apart from the preparation of perspective five year plans, Annual Action plans are required to be prepared by the districts. In reality these are nothing but plans for setting up yearly targets for various schemes. The Annual Action plans should also indicate

the exact functional linkages for each activity taken up under the programme and specify the agency which will provide the necessary back up support, where they do not exist. While preparing the Annual Action plans for the block, the number of units under various projects should be fixed keeping in view the economic potentiality, availability of infrastructural facilities and other factors so that the schemes prove viable. Obviously we wanted to test the level of awareness of the credit agencies with reference to Annual Action Plans. The response of the respondents in this regard are presented below in the table 4.5.

TABLE 4.5: SHOWING PREPARATION OF ANNUAL ACTION PLANS FOR THE DISTRICTS IN THE STATES

Preparation of Annual Development Plans	Karnataka	Orissa	West Bengal	Total
Yes, I Know	39 (65.0)	39 (67.2)	34 (69.4)	112
No, I don't know	4 (6.7)	7 (12.1)	6 (12.2)	17
Vague idea not seen the actual plan	17 (28.3)	12 (20.6)	9 (18.4)	38
	60	58	49	167

It may be noted from the table given above that in all the three states more than 60 per cent of the respondents have affirmed the existence of such plans. (Karnataka 65 per cent, Orissa 67.2 per cent and West Bengal 69.4 per cent). While 28 %, 20%, and 18% of respondents had a vague idea, 6.7%, 12 %, and 12.1% did not know about these Annual Action Plans. About 23% of the total respondents had a vague idea of the existence of such a plan, but the level of awareness was nearly zero in 10% of cases.

- 4.6 Following the preparation of the Annual plans, it was essential to ascertain whether such Annual Action Plans were made available to the Banks to enable them provide required credit for the same. This information was sought and is presented in table 4.6.

It is observed that less than one half of the respondents in Karnataka and West Bengal (48.3 percent and 42.9 percent) respectively have mentioned about the availability of the Annual action plan whereas in Orissa about 55.2 percent of the respondents mentioned about the availability of the plan. In the absence of the Annual Action one wonders how the banks would be able to provide the required finances for the various development schemes which are depending more and more upon institutional finance.

TABLE 4.6: SHOWING AVAILABILITY OF ANNUAL DEVELOPMENT PLAN WITH THE BANKS

Availability of annual development plan	Karnataka	Orissa	West Bengal	Total
Yes Available	29 (48.3)	32 (55.2)	21 (42.9)	82 (50%)
Not Available	14 (23.3)	14 (24.1)	19 (39.1)	47
Not certain	17 (28.4)	12 (20.67)	9 (18.0)	38
	60	58	49	167

4.7 Banks play an important role in the implementation of the various programmes by providing the credit required for both capital investment and for the working capital required for the various schemes. Therefore it is necessary that bankers are involved in the process of planning different Schemes, in order to enable them to make the required financial plan. As to a question about their own involvement, the responses are given in Table 4.7



TABLE 4.7 SHOWING THE INVOLVEMENT OF BANKERS IN THE PREPARATION OF ANNUAL PLANS.

	Karnataka	Orissa	West Bengal	Total
Yes	10(16.7)	5 (8.6)	15(30.6)	30 (18%)
Not involved	33(56.7)	41(79.3)	25(51.0)	99
Not Certain	17(28.4)	12(20.6)	9(18.3)	38
	60	58	49	167

While only 30 respondents 18% out of 167 bankers are actually involved in planning process, a question as to their mode of involvement brought out the following responses. It is while 40% of them are involved in the discussions with the lead banks, the other 60% interact through DLCC. It is really 10.8% of the total 167 bankers who answered the questionnaires.

	Karnataka	Orissa	West Bengal	Total
Through discussion with lead banks	4	2	6	12 (40%)
Through discussion in D.L.C.C.	6	3	9	18
Total	10	5	15	30

4.8 Since planning is an intricate process involving different agencies at different levels, and since the involvement in the process is low, the bankers may have doubts while implementing the same with reference to the modalities or viability of the different schemes included in the plan. The respondents were questioned with reference to this and their responses are tabulated below (Table 4.8).

TABLE 4.8 SHOWING DOUBTS AMONG BANKERS ABOUT THESE PLANS

Double among Bankers about the plans	Karnataka	Orissa	West. Bengal	Total
Yes there were doubts	13 (21.7)	20 (34.4)	23 (46.9)	46
No doubts	7 (11.7)	4 ( 6.9)	9 (18.4)	20
Not certain Just adhered	40 (66.6)	34 (58.4)	17 (34.7)	91
	60	58	49	167

It is striking that about 66.6 percent and about 58 percent of the respondents were not worried in the states of Karnataka and Orissa since they felt they cannot do anything. This does not, surely, suggest that they did not have doubts. A majority working in the bank branches are not either associated or aware of the process through which these decisions are made. At any rate the number of those who did not have doubts is very small (11.7 and 6.9 percent respectively). As compared to these two states, about 47 percent of the respondents in West Bengal answered having doubts about these plans, which they wanted to get clarified and they were positive in their approach. It is felt that the administrative support function should give better information to the finance function.

- 4.9 The system by which the doubts about the plans are clarified were also analysed. The most logical step is to find out about these modalities. The respondents were therefore, asked to indicate the modalities through which doubts are clarified and resolved. The responses are given in table 4.9

TABLE 4.9 SHOWING THE MODALITIES ADOPTED BY  
THE BANKERS TO GET THE DOUBTS CLARIFIED.

Modalities for the removal of the doubts	Karnataka	Orissa	West Bengal	Total
Contact Banks regional office	4 (6.6)	7 (12.1)	5 (10.2)	16 (10.0)
Consulted Lead Bank	7 (11.7)	5 (8.6)	14 (28.6)	26 (15.6)
Through BLCC/LCC	2 (3.3)	8 (13.8)	4 (6.2)	14 (8.7)
Not aware.	47 (78.3)	38 (65.5)	26 (53.1)	111 (65.7)
	60	58	49	167 (100)

Again it may be observed that 65 percent of the respondents in Karnataka were not aware of any method to clear the doubts and this answer is consistent with their response to the earlier question. It is further observed that a small minority of about 20 percent respondents indicated that they resolved their doubts by contacting either the regional offices or the lead banks. The same is true of the States of Orissa and West Bengal, where 20.7 and about 38.8 percent of the respondents respectively contact either the regional office or the Lead Bank. It may be noted here that lead bank plays an important role in West Bengal as compared to the other two states, where 28.6 percent of the respondents mentioned about consulting the Lead Bank in case of doubts. An insignificant percentage of the respondents i.e. 3.3, 13.8, 6.2 in Karnataka, Orissa and West Bengal respectively got their doubts clarified through BLCC or DLCC meetings. It must be noted here that in situations of doubts, banks seek clarification only from banks and not from other institutions like DRDA who are actually involved in the planning process.

It is seen that institutional modalities and arrangements do exist within the banking structure for clarification of doubts and removal of snags and bottlenecks. But the basic question is whether there is any interaction between the concerned district block level authorities and the bankers in order to ensure the linkage which is necessary to achieve the results and resolve difficulties. Since the state level machinery is mainly

responsible for the planning, the project team enquired the respondents to explicitly indicate whether any action is taken by DRDA, with reference to their doubts, which were communicated. Their responses are given in table 4.10.

TABLE 4.10 SHOWING WHETHER ACTION IS TAKEN BY DRDA OR NOT

Action by DRDA	Karnataka	Orissa	West Bengal	Total
Action taken by DRDA	9 (15.0)	11 (19.0)	18 (36.7)	38
No action	5 (8.3)	7 (12.1)	2 (4.1)	14
Not Certain	46 (76.6)	40 (60.9)	29 (59.2)	115
Total	60	58	59	167

4.10 Since majority of the respondents were not ware of the modalities to clear doubts, they obviously were not aware of this communication also. However only about 15% in Karnataka, and about 19% in Orissa and 37% in West Bengal said that DRDA does take action on the basis of their queries etc. But remaining about 8%, 12.1%, and 4.1% respectively in the three states said that no action is taken by the DRDA. One can infer from this that even when doubts are raised, DRDA does not take any effective action to clarify the doubts. This would certainly have an adverse consequence on the credit support to the plan; because if those who have to implement have doubts and they are not clarified in time they may go slow in implementation or totally be indifferent to such programmes or schemes. But again since a majority are not aware of what happens it may be inferred that the institutional modalities for either planning or for resolving difficulties or clarifying doubts, is not clearly spelt out. This will hinder the implementation process.

4.11 As DRDA has to take effective action for removing the doubts, and evolve modalities for the same the respondents were asked to indicate the nature of action taken by the DRDA and their responses are given in the table 4.11.

TABLE 4.11 SHOWING THE NATURE OF ACTION TAKEN BY DRDA

Nature of action	Karnataka	Orissa	West Bengal	Total
Action Through Lead Bank	1 (1.7)	3 (5.2)	1 ( 2.0)	5
Necessary Discussion held with DRDA	8 (13.3)	8 (13.8)	17 (34.7)	33
	9	11	18	38

## DISTRICT CREDIT PLANS

Thus far we have been talking about the various plans to be prepared by the DRDA and the modalities they have devised for removal of doubts or for providing clarifications to the partners providing credit. But since the banks have to play major role both in mobilizing required resources and making the financial assistance easily accessible to the beneficiaries, it is essential to understand the process of working out District Credit Plans at their end.

4.12 In order to ascertain whether the bank branches at the block level have copies of the DCP, questions were asked about its availability (Table 4.12)

TABLE 4.12 AVAILABILITY OF DISTRICT CREDIT PLANS TO THE BANK BRANCHES AT THE BLOCK LEVEL.

Availability of District Credit Plan	Karnataka	Orissa	West Bengal	Total
Yes We have	22 (36.7)	20 (34.5)	24 ( 49.0)	66
No, We don't have	22 (36.7)	24 (41.4)	16 (32.7)	62
Not Certain	16 (26.6)	14 (24.1)	9 (18.4)	39
	60	58	49	167

It is certainly gratifying to note that more than one third of the respondents both in Karnataka and Orissa as against 49% in West Bengal admitted that District Credit Plans are available. But it cannot be ignored that about 36.7 percent and 41.4 percent respectively voice their opinion against the existence of such a plan and the number in West Bengal is no less (32.7 percent). After discussing, it was seen that a majority of those operating the scheme did not really not know what they are implementing. It should also be noted that 39 respondents (23 % of the total respondents were not aware of the existence of DCP and its relationship to their work environment.

- 4.13 After having known about the existence of the District Credit Plans, we wanted to ascertain the role played by these bank branches in the preparation of the same. Whether the block level - branch managers have any role? This is essential because the degree of involvement of the bank in the implementation of the credit plans would be, to a considerable extent, determined by the role played by them in the preparation of District Credit Plans. Their responses are given in the Table 4.13.

It is observed from the table 4.13 that in all the three states 63.3 of respondents in Karnataka and about 65.5 percent in Orissa, and 50% in West Bengal categorically pointed out that they had no role in the preparation of the district credit plan. Out of the respondents who admitted their involvement, 10%, 15.6%, and 8.2 % acknowledged their part in implementation. In West Bengal mostly the regional offices of the banks participated in the preparation of District Credit Plans(38.8). Further more about one third of the respondents in all the three states were not aware of any role in the formulation of DCP. Thus it is evident if the views expressed by the majority of the respondents are any indication they point to the alarming fact that the bankers (branch managers) working in the block/district do not have a role to play in the preparation of DCP. The bankers have their own annual performance budgets with targets for deposits mobilisation and priority sector advances. The DCP is given to them by lead banks. This brings out the fact that there is no planning at the branch level for the DCP. They do not have any knowledge or definite information of what sort of involvement took place at the regional offices of their bank. In view of that their responses meant nothing more than a mere guess.



TABLE 4.13 SHOWING THE ROLE OF THE BANK IN  
THE PREPARATION OF CREDIT PLANS.

Role played by banks in the preparation of credit plan	Karnataka	Orissa	West Bengal	Total
1. Through regional Office if any	7 (11.7)	9 (15.5)	19 ( 38.8)	35
2. Only Lead Bank	9 (15.0)	2 ( 3.4)	1 ( 2.0)	12
3. Only Participate in implementation	6 (10.0)	9 (15.6)	4 ( 8.2)	19
4. No role	38 (63.3)	38 (65.5)	25 (50.0)	101 (61%)
	60	58	49	167

4.14 The lead bank officers were specifically questioned on credit demand projection for preparing the DCP. When questioned about the methodology followed, all of them were unanimous in saying that the credit targets for the calendar year are conveyed to the bankers by their Regional Office based on the performance budget for the calendar year prepared by the Head Office. The lead bank officers said that they consider the requests of District collector in DLCC for credit and try to fit them in these plans by allocating. The DCP becomes a total (additive) of all the credit target plans of the bank branches with some adjustments. The branch bankers do not change their performance budgets since they do not have any power to modify it. They try to fit in the DCP, when the lead bank manager adhocly allocates the credit requests by District Collector. Then the bank branches try to accommodate write to their headquarters requesting for the changes, but it is a cumbersome procedure. More than 70% of the requests were turned down at the head quarters level.

This brings out the fact that DCP becomes a cumulative plan based on the banker's own credit target plan. Banker's performance budget is available in January, and DCP is prepared mostly in April/May. The DCP is neither related to factors affecting the usage of credit like marketing, warehousing, nor DDP.

TABLE 4.14

	Karnataka	Orissa	West Bengal	Total
1. Credit targets (i)decided by your regional office	60	58	49	167
(ii) by DCP	0	0	0	0
2. Do you adjust for DCP?				
Sometimes Yes	+25	18	20	63
Never	35	40	29	104
3. Do you accept sudden adhoc requests.				
Sometimes Yes	15	12	10	37
Never	45	46	39	130

4.15 Since bank branches do not seem to be taking part in the preparation of the District Credit Plan, it is likely that the credit plans handed down to the banks for implementation may cast doubts in their minds and they may in turn seek clarifications/modifications on the allocations. Therefore a pointed question was asked whether the banks sought clarifications concerning the credit plans. The responses are given in table 4.15.

TABLE 4.15 SHOWING WHETHER BANKS SOUGHT MODIFICATION/CLARIFICATIONS ABOUT THE CREDIT PLANS.

Whether banks seek clarific- ations about credit plans	Karnataka	Orissa	West Bengal	Total
Yes	27 (45.0)	27 (46.6)	31 ( 63.3)	85
No	6 (10.0)	5 (8.6)	3 (4.1)	14
Not certain	27	26	15	68
Not aware	(45.0)	(44.8)	(30.6)	
	60	58	49	167



It may be observed that at least about half of the respondents in the states of Karnataka and Orissa and about 63 percent in West Bengal said that clarifications are sought but again it is disturbing that a little less than half (40%) were not aware of such modalities.

- 4.16 Having as ascertained whether there was scope to modify the credit plan, the logical query was to find out how the modifications were sought. The responses are given in the table 4.16.

It is most striking that the majority of them sought modifications within the banking structure rather than with the DRDA or the BDO. They always tried to follow their own performance budgets. In the BLCC/DLCC meetings they tried to reallocate to suite their needs. This certainly points to a glaring problem that much talked about organizational and administrative integration between the administrative function and finance function, seemed to have remained merely a slogan and one wonders in the absence of this what can be achieved in the Integrated Rural Development Programme.

TABLE 4.16

Modalities for the clarifications	Karnataka	Orissa	West Bengal	Total
1. Discuss with head office	10 (16.3)	16 (27.6)	14 (28.6)	40
2. Refer to lead Bank	9 (15.0)	5 (8.6)	11 (22.4)	25
3. Discuss with BDO/DRDA	4 (6.7)	4 (6.5)	-	8
4. Raise in BLCC/DLCC to reallocate	4 (6.7)	2 (3.4)	6 (14.3)	12
	27	27	31	85

## 4.17 MONITORING OF DISTRICT CREDIT PLANS.

According to bankers there was no monitoring of DCP. They monitored their credit targets with reference their own performance budgets and priority sector credit targets according to their guidelines. They did not think that it is then duty to do it. According to them most of the DCP are covered by their own credit targets that is more than enough. This attitude is brought out by the responses of bankers.

	Karnataka	Orissa	West Bengal
Monitoring of DCP. Yes	2	1	3
No	58	57	46
Monitoring of performance budgets Yes	60	58	49
No	-	-	-

- 4.18 When questioned about the availability of financial resources, the bankers felt that the monetary system as a whole had enough resources. But the question is that they have to achieve the target of advancing credit in a particular area within the given time. Therefore the real problem is that the quantum, timeliness, the scheme, the location do not match the requirement. According to one banker, he had enough funds for minor irrigation, while the IRDP beneficiary chose milch animal.

As to the question to what extent the available funds match these requirement, the responses are tabulated below:

TABLE 4.18

The Percentage of Funds Matching the needs

	Karnataka	Orissa	West Bengal
Timeliness	40%	40%	45%
Quantum	30%	35%	40%
Schemes	35%	50%	38%

It is seen from the above table that 50-65% of bankers are of the opinion that they do not exactly match.

4.19 For successful implementation of rural development programmes there has to be effective coordination between District Development plan and the District Credit plans. After all development plan will remain a mere ideal unless they are supported by credit plans and banks mobilize necessary funds for implementing the plans. The respondents were asked to indicate if there was adequate coordination and integration at the two levels as perceived by them. Their responses are given in the table 4.19.

TABLE 4.19 SHOWING BANKERS OPINION ABOUT THE INTEGRATION OF DISTRICT CREDIT PLAN AND DISTRICT DEVELOPMENT PLAN

Integration of DCP and DDP	Karnataka	Orissa	West Bengal	Total
Yes	18 (30.0)	18 (31.0)	31 (63.3)	67
No	9 (15.0)	5 (8.6)	3 (6.1)	17
Not aware	33 (55.0)	35 (60.4)	15 (28.6)	83 (50%)
	60	58	49	167

It is amazing that more than half of the respondents have not perceived any integration between the two plans. This certainly indicates that the amount of coordination existing between two functions is very low. However it is no less significant that about 30 percent in Karnataka and Orissa and about 63 percent in West Bengal said that there is coordination between two functions. It may be noted here that in West Bengal there is a greater degree of coordination between Banks and DRDA than in other two States.

The two functions acted as individual entities according to bankers. Since coordination remains a vital function for implementation of rural development programmes, the respondents were also asked to give a categorical assessment about the degree of coordination between the two functions in operations. The picture emerging is very grim as majority of the respondents were not able to pin point any special coordination effort. Out of a total of 67 respondents who perceived some integration between DDP and DCP, only 10% have said that there is some coordination, that too in case of certain specific projects. This probably means that noticeable and effective coordination has not emerged at institutional level, but it might be there at the individual level.

From the above discussions it can be interpreted that the coordination between the two sectors was lacking. The DCC meetings were mostly on focused on policy issues, and at the operational level there is no organisational infrastructure to improve the communication and coordination between the various departments. We found that the financial resources were more than adequate, but they were not properly linked to the demand especially to its three parameters, viz. quantum, timeliness and location.

#### 4.20 SELECTION OF BENEFICIARIES

Having discussed the procedure of formulation of various programmes of rural development and the involvement of various authorities there in, it is appropriate to look into the procedure, criteria and considerations that go into the selection of the beneficiaries. It is necessary to know whether right type of beneficiaries are selected according to the bankers and their involvement there in.

First of all we had set out to find out the authority that has the major role in the selection of the beneficiaries according to the bankers. The response to this question is given in table 4.20.

TABLE 4.20 IDENTIFICATION OF BENEFICIARIES  
SHOWING THE PERCEPTION OF THE BANKERS ABOUT THE AUTHORITY  
RESPONSIBLE FOR IDENTIFICATION OF BENEFICIARIES.

Authority for identification(Major role)	Karnataka	Orissa	West Bengal	Total
1. Block Office only	42 (70.0)	54 (93.1)	25 (51.6)	121
2. Gram Panchayat only	-	-	21 (42.3)	21
3. Block & Bank Official together	18 (30.0)	2 (3.4)	1 (2.0)	21
4. Banks only	-	-	-	-
5. Not Certain	-	2 (3.4)	2 (4.1)	4
	60	58	49	167

It is observed that in the bankers opinion the block officials have a major say in the identification of beneficiaries in all the three States. This of course is understandable since the Block machinery has been traditionally entrusted with the task of rural development. It was also seen that in the case of West Bengal Gram Panchayats are actively involved in the identification of the beneficiaries. The active role played by the Gram Panchayats in IRDP can be attributed to the high level of political consciousness among the people of West Bengal even at the grass root level. But with the coming in of the banks, one would have expected a greater sharing between the Banks and the Block officials in so far as identification of beneficiaries is concerned. It is seen that in Karnataka 30 percent of the bankers said that they jointly take part in the selection of beneficiaries. None the less one finds this change is quite low, but when analysing the situation in Orissa and West Bengal where only 3.4 and 2.0 percent of bankers respectively said that they decide the cases.

4.21 Ideally the identification of the beneficiaries is to be done in specially organized credit camps which, on the one side are

attended by the Block and Bank officials and on the other by the local leader and the beneficiaries themselves. Credit camps improve the coordination between the functions, since they can discuss the beneficiary, the schemes, the amount etc. In order to ascertain whether the beneficiaries are identified in the credit camps, attended by all concerned, questions were asked. Their responses are given in Table 4.21.

TABLE 4.21 SHOWING WHETHER IDENTIFICATION OF BENEFICIARIES IS DONE IN CREDIT CAMP.

Identification in credit camps	Karnataka	Orissa	West Bengal	Total
Yes (Always)	39 (64.3)	9 (15.5)	6 (12.2)	54
No	21 (35.7)	43 (74.1)	38 (77.6)	102
In between	-	6 (10.3)	5 (10.2)	11
	60	58	49	167

It is clear that the norm of identifying the beneficiaries in the credit camps had been accepted to a greater extent in Karnataka than in Orissa and least in the case of West Bengal where in about 78 percent of the bankers said that identification is not done in the credit camps.

However it is seen that even in Karnataka more than 35 percent of bankers such identification is not done through credit camps. But at the same time this performance is far more impressive when compared to Orissa where only 15 percent of the bankers said that they are identified through credit camps. This probably suggests that credit camps have still not become a regular feature for identification of beneficiaries in Orissa. This means the coordination between the two functions is very low. 10% of the respondents of Orissa and West Bengal were in the in between category, suggesting the identification could have been done this way or the other.

4.22 While selecting the beneficiaries, the officials have to be guided by certain norms like the capability of the beneficiary to manage the asset, his interest in a particular scheme and finally his

capacity to generate income. The respondents were therefore asked to indicate the reasons and considerations for the selection of the beneficiaries as they see. Their responses are given below in the table 4.22.

TABLE 4.22 SHOWING BANKERS PARTICIPATION IN IDENTIFICATION OF BENEFICIARIES.

Bankers consideration	Karnataka Yes	Orissa Yes	West Bengal Yes
1.Belongs to BPL group	41 (83.7)	58 (96.7)	29 (50.0)
2.The Beneficiary has interest in the scheme.	39 (79.6)	55 (93.3)	30 (51.7)
3 Beneficiary has capability to manage the asset.	43 (87.8)	56 (96.7)	46 (79.3)

It is striking to note that in case of all the three states all the bank officials had given the first rank to criteria 3 with equal emphasis. This means that the beneficiaries must be capable of managing the asset. In West Bengal the other two criteria had a lower ranking. Their belonging to below poverty line or interest in a particular scheme is relatively a lesser consideration to the bank branches. But it is really unfortunate to expect the IRDP beneficiaries to have the capacity to manage. The main aim of the programme is to bring the poor beneficiaries into the mainstream. Therefore the expectation - that they will have capacity to manage will be an hindrance in achieving the goal of the IRDProgramme.

4.23 It was felt that bankers should also inspect the beneficiaries and their schemes if proper management of credit should be ensured. To the question as to the methodology, how the bankers assess the beneficiaries, the responses were varied. (Table 4.23)



TABLE 4.23 SHOWING HOW THE BANKERS ASSESS THE BENEFICIARIES

Bankers assessment		Karnataka	Orissa	West Bengal	Total
1.	Field Inspection	13 (22.0)	24 (41.4)	14 ( 28.6)	51
2.	Traditional occupation	14 (23.3)	6 (10.3)	9 (18.4)	29
3.	Viability of the project	9 (15.0)	-	-	9
4.	Personal Integrity or past dealings	2 (1.3)	6 (10.3)	9 (18.4)	17
5.	Training about the Scheme Trysem	5 ( 8.3)	3 ( 5.2)	7 (14.3)	15
6.	Availability of infrastructural facilities	6 (10.0)	2 (3.4)	1 (2.0)	9
7.	Any one of the above	11 (18.3)	17 (29.3)	9 (18.4)	37
					167

It was seen that in all the three States, majority of the officials seem to assess the beneficiaries through their field inspection. But along with field inspection they are also guided by certain objective considerations like traditional occupation of the beneficiary and the viability of the project in the State of Karnataka and West Bengal; but it is much less so in case of Orissa. Probably in the case of the latter they go more by personal impressions and subjective assessment as revealed in the responses. It is also noted that about one-third of the respondents in Orissa are not certain how they do it but they do it in one of the above methods, and 18 percent of Karnataka and West Bengal are also of the same opinion.



4.24 In the overall assessment it was necessary to find out whether the benefits reached the right type of persons. In other words whether people below the poverty line got the benefits of the programme. Their responses are given in the table Below 4.24

TABLE 4.24      SHOWING COMMENTS OF THE BANKERS ON  
THE TYPE OF BENEFICIARIES SELECTED

Comments on the beneficiaries	Karnataka	Orissa	West Bengal
1. Right selection of beneficiaries	29 (48.3)	13 (22.4)	26 (53.1)
2. Wrong selection of beneficiaries	25 (41.7)	35 (60.4)	15 (30.6)
3. Doubtful	6 (10.0)	10 (17.2)	18 (16.3)

It is evident that in case of Karnataka and West Bengal at least half of the beneficiaries were the right persons whereas their number is a meager 22 percent in case of Orissa. By contrast 60 percent of the beneficiaries were a wrong selection in case of Orissa but they were 40 percent in Karnataka and about 31 percent in West Bengal. On a further probe it was made clear what was really meant by wrong selection of the beneficiaries. This according to them, in practice meant that the beneficiaries were chosen not with reference to objective considerations. This is not an unfamiliar situation. It is felt if there had been joint selection with both the systems enacting their role, the result would have been much better.

#### 4.25 BENEFICIARIES AND THE BANKS.

Having discussed about the selection of the beneficiaries, we had explored about the formalities to be completed for getting the loan sanctioned. The time taken for processing of loan application, actual release of the sanctioned money and finally the norms for fixing the repayment installment are analysed.

In the first place we examined the formalities one had to complete for getting the loan sanctioned. As a main indicator, for measuring the formalities to be completed, we had asked the

respondents to indicate the number of certificates they had to submit at the time of submitting the application. The data is presented in table 4.25.

TABLE 4.25 SHOWING THE NUMBER OF CERTIFICATES REQUIRED AT THE TIME OF SUBMITTING THE LOAN APPLICATION.

No. of certificates	Karnataka	Orissa	West Bengal
One	11 (18.3)	15 (25.9)	7 (14.3)
Two	20 (33.3)	18 (31.0)	18 (36.7)
Three	11 (18.3)	8 (13.8)	10 (20.4)
Four	6 (10.0)	4 (6.9)	6 (12.2)
More than four	1 (1.6)	2 (3.4)	-
No Certificates required	3 (5.0)	-	4 (8.2)
Do not know exactly	8 (13.3)	11 (19.0)	4 (8.2)

It is evident that all the banks do not follow standard procedure for filling of the application and probably insist on as many as four or even more documents along with the application. On a closed and careful comparison between states it seems the procedure is more or less same in all the three States. It is seen that in Karnataka, according to 63% of respondents we need a minimum of two documents along with the application whereas comparative figures both for Orissa and West Bengal are around 55 and 69 percent respectively. This comparison is further borne out by the fact that according to more than ten percent of the respondents both in Karnataka (11.6) and West Bengal (12.2) as many as four documents are required whereas it is according to 10.3% of respondents in Orissa. This happened because of ineffective coordination between the two functions.

4.26 Another problem that people in the rural areas have to face in getting the loan is of providing surety (Table 4.26). Therefore, it is important to find out about this aspect. It is a known fact that under IRDP guidelines surety should not be insisted upon by the bankers.

TABLE 4.26 SHOWING WHETHER THE SURETY REQUIRED FOR THE SANCTIONING OF LOAN

Surety	Karnataka	Orissa	West Bengal
Yes	15 (25.0)	14 (24.1)	19 (38.8)
No	44 (73.3)	40 (69.0)	22 (57.1)
Not certain	1 (1.7)	4 (6.9)	2 (4.1)

TABLE 4.27 SHOWING AVERAGE TIME TAKEN FOR SANCTIONING OF LOAN FOR VARIOUS SCHEMES

Name of the Scheme	With in a fortnight			More than a fortnight			In Between		
	Karnataka	Orissa	West Bengal	Karnataka	Orissa	West Bengal	Karnataka	Orissa	West Bengal
1. Agriculture	9 (15.0)	14 (24.2)	15 (30.6)	30 (50.0)	31 (53.5)	17 (34.7)	21 (35.0)	13 (22.4)	17 (34.7)
2. Animal Husbandry	11 (18.3)	16 (27.6)	14 (28.6)	38 (63.4)	27 (46.6)	21 (42.9)	11 (18.3)	15 (25.9)	14 (28.6)
3. Agriculture & Allied	8 (13.6)	15 (25.9)	16 (32.6)	38 (63.4)	23 (39.7)	22 (44.9)	14 (23.3)	20 (34.5)	11 (22.4)
4. Rural Artisan	12 (20.0)	16 (27.5)	15 (30.6)	24 (40.0)	17 (29.3)	20 (40.8)	24 (40.0)	25 (43.1)	14 (28.6)
5. ISB	13 (22.1)	17 (29.3)	12 (22.5)	33 (55.0)	23 (39.6)	24 (48.9)	14 (26.7)	18 (31.0)	12 (26.5)

In comparative terms, it is again brought out that this condition is not insisted upon in Orissa and Karnataka as much as it happens in West Bengal. For instance while one-fourth of the respondents in Karnataka and 24 % of the respondents in Orissa and above 40 percent in West Bengal mentioned that they insisted upon producing surety. The inbetween respondents explained that they have both types of cases, depending on the circumstances. Only 73% in Karnataka, 69% in Orissa and 57% in West Bengal followed the guidelines.

- 4.27 After the loan applications are submitted the obvious thing to investigate is to find out how much time it takes for scrutinizing the application. We have asked the respondents to indicate the time taken for scrutinizing of loans for agriculture, animal husbandry, and the like, to find out whether the time taken for the sanction of loan was same in all types of schemes or was it different. This is important given the difference in requirements of agriculture and other activities like animal husbandry or small business.

It seems that in all the three states (Table 4.27) according to more than 75% of the respondents the sanctioning of loan takes more than 15 days. According to about 15-16% of bankers in Karnataka the loans are sanctioned within 15 days for all schemes, and about ISB sector 22% of bankers (22%) said that loans are sanctioned within a fortnight. In Orissa, according to about 27% respondents agricultural loans were sanctioned within 15 days, but more respondents felt that the loans for other schemes were sanctioned within 15 days. In West Bengal, only 22% of the respondents said that the loans for ISB Sector was sanctioned within 15 days, while more respondents (30-32%) said that the loans for other schemes were sanctioned within 15 days. According to the bankers, sanctioning of loan is a routine matter and they were not making any new decision. They are processing what has been decided by the administrative system.

- 4.28 It is common experience that there is a time lag between the actual release and the scrutiny of applications and sanction of loans. Thus it was relevant to enquire about the time taken for the actual release of the money. (Table 4.28)

It is found that the time gap varies from a week to over a month but this variation is found more in case of one State than in the other two. For instance, in case of Karnataka and West Bengal it is found that according to 53 percent and 63 percent respondents loans are released within a week but the comparative

figure for Orissa is just 21 percent. It is also corroborated by the fact that according to 38 percent of bankers in Orissa money is released only after a month. But such a situation existed in Karnataka and West Bengal according to only 3 % and 10 % of respondents. Thus one can safely infer that once the loan is sanctioned the release of the money is more expeditiously done in case of West Bengal and Karnataka as compared to Orissa. It is also seen according to 33%, 25% and 15% of the respondents of Karnataka, Orissa, and West Bengal, the sanction takes its own time depending on the case and they cannot definitely say whether it is one week or one month. Of course if we have to point out to only one state, then West Bengal undoubtedly leads in this respect. We find the financial support function acts quickly on the basis of identification by administrative support function.

TABLE 4.28 SHOWING TIME TAKEN TO RELEASE CREDIT AFTER SANCTIONS.

Duration	Karnataka	Orissa	West Bengal	Total
0-7 days	32 (53.3)	12 (20.7)	31 (63.3)	75
8-14 days	3 (5.0)	4 (6.9)	5 (10.2)	12
15-1 month	3 (5.0)	5 (8.6)	1 (2.0)	9
More than 1 month	2 (3.3)	22 (37.9)	5 (10.2)	29
Not Definite	20 (33.3)	15 (25.9)	7 (14.3)	42
				167

4.29 The next question is the loan amount, installment and repayment schedule. A question as to the quantum of loan and about its adequacy elicited the following responses (Table 4.29). It is seen that the quantum of loan was based on some guidelines blindly, and there was no change with reference to need. It also seen that in Karnataka and West Bengal more bankers followed the guidelines from their regional offices while in Orissa more respondents, followed Nabard guidelines. Nearly 33% of the bankers followed the

BDO guidelines also, since the subsidy was decided by BDO on the basis of their own norms.

TABLE 4.29

Quantum Fixed	Karnataka	Orissa	West Bengal	Total
1. According to NABARD Guide lines.	17 (28.3)	25 (43.1)	13 (26.5)	55
2. According to BDO office rules	21 (35.1)	18 (31.0)	15 (30.6)	54
3. BANKS OWN Guidelines from Regional office	22 (36.7)	15 (25.9)	21 (42.9)	58
	60	58	49	167

4.30 About the adequacy of loan, there were many cases according to the bank officials. where the loan amount was inadequate (Table 4.30) Nearly 60% of the respondent said the loan amount was inadequate.

According to 60% of bankers in Karnataka, 58% in Orissa and 51% in West Bengal the loan amount was inadequate. The bankers just followed the guidelines, as they neither had time nor powers to change the quantum of loan for different schemes.

TABLE 4.30 WHETHER THE QUANTUM OF LOAN WAS ADEQUATE

	Karnataka	Orissa	West Bengal	Total
Adequate	22 (36.6%)	21 (36.2%)	21 (42%)	64
Inadequate	36 (60%)	34 (58.6%)	25 (51%)	95 (57%)
Not certain	2	3	3	8 (0.5)
	60	58	49	167



This was mainly due to the fact that the schemes were not evaluated from location-specific and scheme-specific angles. The loan amount was uniform in 95% of the cases and therefore it did not lend itself to achieving the expected result.

4.31 The bank officials were also asked to point out the percentage of cases where the quantum of loan was adequate/inadequate from a random sample of about 100 cases from each district according to their perception. For this the records of the bank branches were analysed. (Table 4. 31) It was seen that project viability was not the consideration at all for giving IRDP loans.

TABLE 4.31 WHETHER THE QUANTUM OF LOAN WAS ADEQUATE - Random Sample of about 100 cases

	Karnataka	Orissa	West Bengal	Total
Adequate	35 (33.0)	32 (32.0)	38 (42.0)	105
Inadequate	61 (60.0)	55 (54.0)	47 (50.0)	163
Doubtful	7 (71.0)	15 (14.0)	8 ( 8.0)	30
	103	102	93	298

According to the bank officers, the problems of individual beneficiaries were also not taken into account and everybody got the same amount for all types of schemes. For eg., in milch cattle schemes, the fodder availability and marketing infrastructure was very poor in many blocks and the beneficiaries had to undergo a lot of problems. Their incomes and expenditures were different from the general level. They had to spend more on fodder, and get less income from their milk. Sometimes when they go to a chilling centre, which is far away they had spend on transport and to pay a fee for chilling. Therefore the viability of the whole operation gets distorted. The actual viability in practice has not been worked out. It was seen for more than 60% of the cases in Karnataka, 54% in Orissa, and 50% in West Bengal the loan amount was inadequate.

4.32 Further analysing these 163 cases, it was seen that more than 50% of the cases belonged to ISB sector and rural artisans. (Table 4.32) The main reason was that they did not have working capital. The IRDP loan was for fixed assets. Since they were not able to provide for working capital, the asset was not able to generate income and it became a dead block.

TABLE 4.32

Types	Karnataka	Orissa	West Bengal	Total
1. Agriculture & Allied Activities	8	11	10	29
2. Animal Husbandry	18	15	13	46
3. I.S.B. Sector & } Rural artisans }	35 (59.4)	29 (28.0)	24 (50.0)	88
	61	55	47	163

From these discussions it was seen that the quantum of loan was fixed adhocly. The viability of the project was not taken into account while fixing the loan amount required. The cost and revenue estimates and norms for schemes were not workedout separately. It was an uniform amount in most of the cases.

4.33 Once the loan is sanctioned this had to be recovered from the beneficiaries on an instalment basis. The bankers were asked about the criteria followed with reference to repayment schedule, fixation of instalment amount etc.

It is evident that all the states follow different norms. It is seen that 51% of Orissa bankers followed NABARD norms, where as 43% of Karnataka bankers had related the repayment more to the guidelines from the regional offices of the bank. In West Bengal both the guidelines from the regional offices of bank and Nabard are followed. The net income is also related to repayment according to 22 % of the respondents in all the 3 states. It is felt that the net income should have been the most important criteria, but all the bankers did not follow it.



TABLE 4.33 SHOWING THE NORMS FOR FIXING THE INSTALLMENTS AND SCHEDULE REPAYMENT

Criteria for repayment	Karnataka	Orissa	West Bengal	Total
1. As per NABARD guidelines	22 (36.7)	30 (51.7)	19 (38.8)	71 (43.0)
2. According to their regional office norms	26 (43.4)	14 (24.1)	19 (38.8)	59 (35.0)
3. On the basis of net income from the scheme	12 (20.0)	14 (24.1)	11 (22.4)	37 (22.0)
	60	58	49	167

4.34 When questioned about Vikas patrika, all the bankers (100%) said that they never updated the same. Secondly to the question of regular entries with reference to payment of interest, instalment etc, all the bankers said that it is entered only in their ledgers.

The reasons for not updating the Vikas patrika are as follows.

TABLE 4.34 (a)

	Karnataka	Orissa	West Bengal	Total
1. Very busy unable to do this	16	18	12	46
2. It's lost	20	18	21	59
3. Submitted very late involving many entries	24	22	16	62
	60	58	49	167

Since most of the beneficiaries are illiterate, details about the remaining quantum of loan, interest, number of instalments are not given to them either in writing or verbally. All the bankers

(100%) tell the beneficiaries to bring the next instalment in time. The following responses were received from the bankers for the question on how they calculate interest, when monthly instalments are repaid.

TABLE 4.34 (b)

Interest	Karnataka	Orissa	West Bengal	Total
for the quarter	32	31	19	82
for the month only	28	27	30	85
	60	58	49	167

It is seen from the above nearly 50% of the bankers calculated interest for the quarter even though payment has already been made. When enquired for the reasons, the bankers said that they have not received specific instructions to the contrary, and they want to play safe.

4.35 In addition to loans the rural people get subsidy under various schemes implemented by DRDA. Really subsidy is first given by bankers along with credit ypnrmrgovostord and the subsidy amount is later released by DRDA to the banks. It was therefore essential to find out from the bankers about the time taken to release the subsidy and the suitability of the procedure followed at present for the same. The responses of the bankers on both these aspects are given below. Both the systems should coordinate, for a smooth-working environment. The table 4.35 deals with the procedural aspect and table 4.36 about the assessment of the same.

It is essential that the administrative support function do not keep them in the dark. According to 40% of bankers in Karnataka and 20% and 12% in Orissa and West Bengal, subsidy is released by DRDA in advance. It is seen that the DRDA in Karnataka are able to act in smooth liason with bankers. According to 70% of West Bengal bankers and 35% of Karnataka and Orissa bankers subsidy is released after the utilisation certificate is given by banks to DRDA. It is really pathetic to know that 44.8% of bankers in Orissa, 25% in Karnataka and 16.4% in West Bengal, do not know the procedures. By detailed questioning it was found out, the procedure was not same in all the cases.

TABLE 4.35 SHOWING THE RESPONSE OF THE BANKERS REGARDING THE PROCEDURE FOLLOWED BY DRDA IN RELEASING THE SUBSIDY

Procedure followed by DRDA releasing the subsidy	Karnataka	Orissa	West Bengal	Total
1. Subsidy released in advance	24 (40.0)	12 (20)	6 (12.2)	42
2. Subsidy released after getting utilization certificate	21 (35.0)	20 (34.5)	35 (71.4)	76
3. Not aware of the procedure	15 (25.0)	26 (44.8)	8 (16.4)	49
Total	60	58	49	167

4.36 If the responses given in table 4.35 are seen in the light of table 4.36, we find that 70% of bankers of Orissa and about 55-56 percent in Karnataka and West Bengal are satisfied with the procedure for release of subsidy. 33% in Karnataka, 17% in Orissa and 22% in West Bengal are unsatisfied. The others are neither satisfied nor unsatisfied as they think the system cannot be changed.

TABLE 4.36 SHOWING THE OPINION OF THE BANKERS ABOUT THE PROCEDURE FOR RELEASE OF SUBSIDY.

Opining about the Procedure	Karnataka	Orissa	West Bengal	Total
Satisfactory	34 (56.7)	41 (70.7)	27 (55.1)	102
Not Satisfactory	20 (33.3)	10 (17.2)	11 (22.4)	41
Not certain	6 (10.0)	7 (12.1)	11 (22.4)	24
				167

4.37 Advancement of loans and subsidy will not serve any useful purpose, or for sure would not contribute to the economic betterment of the beneficiaries, if it is not ensured that the

loans are properly utilized. In order to do that, the Bankers have to keep contact with the beneficiaries, supervise and guide them. They should also bring to the notice of the DRDA staff, any improper usage of loans etc. It is necessary that officials of the two functions go together to meet the beneficiary. The question as to the number of visits, frequency and number of joint visits etc. elicited the following information.

First of all in table 4.37 information is presented about the number of the visits by bankers to meet the beneficiaries in general in the three States. The frequency to meet the same beneficiary, and the number of visits to a particular beneficiary are tabulated later.

TABLE 4.37 SHOWING THE FREQUENCY OF THE VISITING BENEFICIARIES BY BANKERS

Frequency of the visits	Karnataka	Orissa	West Bengal	Total
1. Once in 15 days	20 (33.3)	13 (22.4)	23 (46.9)	56 (33%)
2. 16-1 month	26 (43.3)	28 (48.3)	8 (16.3)	62 (36%)
3. In two months	2 (3.3)	1 (1.7)	5 (10.2)	8 (5.5%)
4. More than two months	7 (11.7)	7 (12.1)	9 (18.4)	23 (15%)
5. No visit	5 (8.3)	9 (15.5)	4 (8.2)	18 (11%)
	60	58	49	167

In respect of the frequency of visiting the beneficiaries, it is more frequent in West Bengal than either in Karnataka or Orissa. In West Bengal according to 47 percent of the bankers they met the beneficiaries at least once in 15 days, the comparative figures for Karnataka and Orissa were 33.3 and 24.4 percent respectively. It is also seen that in Orissa 15.5 percent of the respondents indicated that no visits were made by them. The number of such respondents in West Bengal and Karnataka is 8.1 percent and 8.3 percent respectively.

4.38 This does not mean that they visited the same beneficiary. When questioned about their visits to a particular beneficiary, during

the course of a year, it turned out that the maximum number of visits was two in most cases, three in unusual circumstances. The records from banks were analysed for the last 3 years.

TABLE 4.38

No. of visits in a year for each beneficiary

Karnataka	0	1	2	3	Total cases
1981-82	5	30	17	1	53
1982-83	12	27	23	1	63
1983-84	9	34	21	2	66
				4	182
Orissa	0	1	2	3	Total beneficiaries
1981-82	10	25	15	2	52
1982-83	17	25	18	2	62
1983-84	12	34	16	1	63
				5	177
West Bengal	0	1	2	3	Total beneficiaries
1981-82	5	23	12	4	44
1982-83	9	32	11	2	54
1983-84	12	28	13	2	55
				8	153

Out of a total of 182 beneficiaries in three years, only 2.25 percent of cases were visited three times in Karnataka ;the situation in Orissa was also nearly same; but West Bengal was better in the sense that this percentage was 5.3.

4.39 Over and above this, the Bankers also monitor the programme through various other methods. The situation is reflected in table 4.39.



TABLE 4.39 SHOWING HOW THE BANKERS FOLLOW UP THE BENEFICIARIES  
TO CHECK MISUTILISATION OF ASSETS.

Follow up method	Karnataka	Orissa	West Bengal	Total
Personal contact	29 (48.3)	33 (56.9)	32 (65.1)	94
Through correspondence	6 (10.0)	2 (3.4)	2 (2.0)	10
Pre and Post inspection	12 (20.0)	6 (10.3)	4 (8.2)	22
No follow up	13 (21.7)	17 (29.3)	11 (22.7)	41
	60	58	49	167

It is revealed that the bankers in West Bengal lead all other states in personal contacts, since more than 60 percent of them have indicated that they follow up their cases through personal contact. The need for other methods of contact is proportionately reduced. Over all it seems that personal contact with beneficiaries is maximum in case of West Bengal and minimum in case of Karnataka are 65.1 and 48.3 percent respectively. Again it must be noted that in case of all the three states 1/5 of the respondents have stated that there is no follow up. This brings out the weakness in the system. Further questions to find out about the support given by the administrative system for follow up brings out a clear picture about the current state of coordination.

4.40 The question as to joint visits, frequency of joint visits etc brought out the following picture.

TABLE 4.40

Joint visits/Frequency	Karnataka	Orissa	West Bengal	Total
Yes	0	1	2	3
No	60	57	47	164
				167

In the case of Orissa, the only joint visit was done when the milch animal died and there were problems about insurance. In West Bengal, there were two cases of joint visits. One case was for pre-inspection with reference to handloom weaver and another was with reference to default of repayment by a beneficiary producing bell-metal products. In Karnataka there were no joint visits.

4.41 After making these visits it was questioned whether the bankers take action against the beneficiaries for misutilisation of assets. The responses are given in table 4.41.

TABLE 4.41 SHOWING WHETHER BANKS TAKE ANY ACTION AGAINST THE BENEFICIARIES FOR MISUTILISATION OF ASSETS

Action by Banks	Karnataka	Orissa	West Bengal	Total
Yes	46 (76.7)	32 (55.2)	30 (61.2)	108
No	11 (18.3)	11 (19.2)	13 (26.5)	35 } 59
Doubtful/in -effective-	3 (5)	15 (25.9)	6 (12.4)	24
	60	58	49	167

Although bankers are not as frequent in their visits to Karnataka as they are in West Bengal yet a majority of them pointed out that they take action against the defaulters and their number is as high as over 76 percent. The number is relatively higher in West Bengal too, but it is lowest in Orissa. Not only that it is surprising that more than one fourth of the respondents have opined the action is doubtful in Orissa which also points to the fact that not only action is not taken in case of defaulting beneficiaries in but a sizable section of the respondents are doubtful about action taken. Totally 59 bankers (36%) have opined that actions are neither taken nor effective. Generally the action is only through notices, which do not have any effect.

4.42 The bankers bring these cases of misutilisation to the notice of the DRDA authorities who intern are also requested to take action

against such beneficiaries. It is rather striking that both in case of Karnataka and West Bengal where bankers frequently visit and report about the defaulting beneficiaries, the DRDA takes no action. (table 4.42) 51 percent of the bankers in West Bengal and 40 percent in Karnataka have indicated that DRDA takes no action against the defaulters, even when they bring it to their notice. This means the administrative support function is not giving proper support to financial support function.

TABLE 4.42

	Karnataka	Orissa	West Bengal	Total
1. No action by DRDA	24 (40.0)	9 (15.5)	25 (51.0)	58
2. Action	20 (33.4)	14 (24.1)	8 (16.3)	42
3. Unaware of any action/uncertain	16 (26.7)	35 (60.3)	16 (32.7)	67

Of course same is the case in Orissa where a little over 15 percent of the respondents have expressed the same views. However, it is significant to note that in all States a sizeable section of the respondents are unaware of any action taken by DRDA. Of course the maximum number of respondents about such a situation are in Orissa which is as high as 60 percent, but the number is no less in the case of West Bengal and Karnataka which is 32.7 percent and 21.6 percent respectively. This indicates that the bankers are not informed about the action taken by DRDA. This can also be construed to mean that since there is no action by DRDA, they have not informed the banks.

- 4.43 The effect of action taken by the DRDA has also not produced any favorable result according to the bankers. In Karnataka (table 4.43), bankers felt that there has been no specific effect on the beneficiary in 3 cases. The bankers also said that the DRDA delays the release of subsidy to banks with reference to these beneficiaries (two cases). Only in one case, in West Bengal the result has been favorable and led to satisfactory implementation. Finally, since the DRDA and bankers have already sent written notices or talked to them orally, the beneficiaries keep quiet without worrying and did not care about the loan. Normally in case of misutilisation, the money should be recovered immediately but



it is pointed out by 26.7 percent respondents in Karnataka 22.4% in Orissa, and 12.2 percent in West Bengal that no recovery is made. They write off the beneficiaries and the bankers also do not care.

TABLE 4.43 SHOWING ACTION TAKEN BY DRDA ON MISUTILISATION OF ASSETS

Result of action/inaction	karnataka	Orissa	West Bengal	Total
1. No specific effect	3 (5.0)	-	-	3
2. Delay in release of subsidy by DRDA to bank	1 (1.7)	1 (1.7)	1 (2.0)	3
3. Result in satisfactory implementation.	-	-	1 (2.0)	1
4. Results in non-recovery of loans	16 (26.7)	13 (22.4)	7.6 (12.2)	35
	20	14	8	42

4.44 Having discussed the role of the bankers and how they performed it, it is important to find their views about coordination between the banks and the DRDA. It is important because in the ultimate analysis the success or failure of the Programme would depend on the coordination that exists between the two. In this respect information was obtained from the bankers about the method followed for coordinating with each other and how did it work in their view. In other words it was sought to know what was their experience with reference to their efforts made for bringing about coordination.

TABLE 4.44 SHOWING COORDINATION BETWEEN BANKS, DRDA AND BDO

Coordination between Banks/DRDA/BDO	Karnataka	Orissa	West Bengal	Total
1. No coordination between these bodies(very minimal)	11 (18.3)	14 (24.1)	2 (4.1)	27
2. By personal contacts and regular visits	10 (16.7)	3 (5.2)	5 (10.2)	18
3. Through BLCC meetings	17 (28.3)	21 (36.2)	32 (65.3)	70
4. Through written communication between the organisations	4 (6.7)	-	-	4
5. Only during credit sanction the officials meet.	5 (8.3)	- (6.9)	1 (2.0)	6
6. No particular system but some coordination	13 (21.6)	16 (27.7)	9 (18.4)	38
	60	58	49	167

Table 4.44 shows responses about the method of coordination. These range from personal contacts, official meeting and other records etc. Orissa leads among the states where about 1/4 of the bankers hold the view that no coordination exists. The view held by such a large number of bankers that no coordination exists is quite in tune with the fact that 60 percent of the bankers in Orissa (Table 4.42) are unaware of any action taken by the DRDA against the defaulters. It is seen that in West Bengal Block Level Coordination Committee acts as a meeting ground for the bankers and the DRDA where 65 percent of the respondents have indicated that the coordination is achieved through BLCC. Here the main objective according to 50 bankers 70% of the 70 bankers is to reallocate the DCP to match with their own performance budgets. It is also seen that in Orissa BLCC meetings pave the way for coordination according to 36 percentage of respondents, while it is 28 percent in Karnataka.

4.45 Table 4.45 gives the bankers assessment about the degree of Coordination through BLCC meetings. As already brought out there is an effective institutional mechanism in Block level Coordination Committee. In table 4.45 the respondents had indicated that coordination exists. Now, the degree is measured through the regularity of meetings, the way in which the meeting was conducted. On the negative side if we see, we find about 43 percentage of the respondents in Karnataka have mentioned that the meeting was only a formality. The number of such respondents in West Bengal and Orissa is just 12.2 and 15.5 percent respectively. However these responses should be again seen in the light of the fact that as many as 41.4 percent respondents in Orissa are doubtful about the efficacy of these meetings. It is also as high as 26.5 in West Bengal, and 31.7 percent in Karnataka. The bankers said that in the meetings there was no discussion and everything was decided by the collector or the Regional Manager of bank in consultation with collector if at all there is a change in allocations of credit targets.

TABLE 4.45 SHOWING THE INTENSITY/DEGREE OF COORDINATION EXPERIENCED BY THE BANKERS

Banks Experience	Karnataka	Orissa	West Bengal	Total
Meeting not held regularly	1 (1.7)	4 (6.9)	-	5
Meeting a formality	26 (43.4)	13 (22.4)	14 (28.5)	53
Proper coordination existed between Banks and others during meeting	14 (23.3)	17 (29.3)	22 (44.9)	53
Cannot say either way	19 (31.7)	24 (41.4)	13 (26.5)	56
	60	58	49	167

## STAFFING:

4.46 It is well known that banking services were extended to rural areas without adequate preparations. The branches of the banks in the rural areas faced the problems, of infrastructural facilities such as appropriate building, housing for the staff, security arrangements, electricity, adequate transport and communication facilities. Despite this the rural banks had to take the additional responsibility of implementing the Integrated Rural Development Programme.

Since new programmes were taken up for rural development, it is felt that the banks had to carry heavy workload without commensurate staff. Therefore it was considered desirable to enquire about the staffing pattern in all the three states and also to get the views of the bankers about the adequacy and inadequacy of the staff to manage and monitor banking services to the rural people.

It was revealed that there was no uniform pattern of staffing either of the officers or of the lower grade functionaries in the banks in the three states. (Table 4.46)

TABLE 4.46

The Staffing Pattern in Rural Branches.

	Karnataka	Orissa	West Bengal
1. More than five officers	15%	5%	24%
2. Less than five officers	85%	95%	76%
3. Ore than five lower level functionaires	53%	40%	45%
4. Less than five lower level functionaires	47%	60%	55%

For instance West Bengal had the highest number of officials with 24 percent of branches having more than five officers. The number of officers was lowest in Orissa with only five per cent of the branches having more than five officers. This unevenness of the staff was also noticed for the lower level functionaries. Again Orissa had the least number of lower level functionaries with 60 per cent officers saying that they had less than five lower

level functionaries. The number of lower level functionaries was highest in case of Karnataka where 53 per cent mentioned that they had more than five lower level functionaries. The pattern had no connection to either population, or area covered.

4.47 In view of the diverse pattern of staffing in the rural banks, the bankers were asked to evaluate the staff strength in terms of its adequacy with reference to work load. Not surprisingly majority of the respondents in all the three states have expressed the view that the staff is not adequate as may be seen from the table 4.47.

TABLE 4.47 SHOWING THE OPINION OF THE BANKERS ABOUT THE ADEQUACY OF THE STAFF IN VARIOUS BANKS.

Opinion of the Bankers about staff strength	Karnataka	Orissa	West Bengal	Total
Adequate	13 (21.7)	10 (17.2)	5 (10.2)	28
Inadequate	40 (66.7)	37 (63.8)	36 (73.5)	113 (68.0)
Not certain	7 (11.7)	11 (19.0)	8 (16.3)	26
				167

It may be observed that only in Karnataka about one fifth of the officials have found the staff to be adequate, while it is only 17% in Orissa and 10 percent in West Bengal. About three fourth of the respondents in West Bengal have said that the staff is inadequate. This is despite the fact that about one fourth in West Bengal had mentioned that they had more than five officers which was highest among the three states. Even for the lower functionaries West Bengal was only next to Karnataka in having more than five lower level functionaries. Although objective measures can be evolved to judge the adequacy of the staff, it is difficult to ignore the subjective perception of those who are actually operating in the real life situation. Given the diversity of conditions in the country-side, one cannot ignore this aspect and has to go by the evaluation of those who actually work in the situation even if that be subjective.



4.48 (a) Again whether the introduction of "Integrated Rural Development Programme" (IRDP) resulted in additional workload or not had to be more realistically assessed by those who are part of the system. The bankers were therefore asked to indicate whether the introduction of IRDP meant an additional workload to the banks. Their responses are given in the table 4.48a.

TABLE 4.48(a) SHOWING WHETHER IRDP HAS RESULTED IN ADDITIONAL WORKLOAD

Whether IRDP resulted in additional workload	Karnataka	Orissa	West Bengal	Total
Yes increase in workload	40 (66.60)	52 (90.0)	39 (79.6)	131 (Nearly 80%)
No increase in workload	12 (20.20)	3 (5.0)	5 (10.2)	20
Not Certain	8 (13.9)	3 (5.0.)	5 (10.2)	16
	60	58	49	167

It is interesting that despite diversity in the staffing pattern in all the states, in the opinion of the majority of the respondents, IRDP has meant additional workload to the banks. However this has been more so in the case of Orissa where more than 90 percent of the respondents have opined that introduction of IRDP has resulted in additional workload for them.

4.49 (b) The bankers also felt that there has been heavy work due to bunching of applications in the months of February and March (end of Government's financial year). But during this period, the banks have to follow their new strategies and new annual performance plans. The extra workload is also due to another factor. Bank officials who could not take leave during November-December, due to the Annual closing of accounts, take leave during this period or take it easy.

TABLE 4.48(b) Extra Load in February-March.

	Karnataka	Orissa	West Bengal
Very heavy extra	35	50	36
Heavy as usual IRDP Work	5	2	3
	40	52	39

4.49 The bankers in some blocks also said that they have to look after two or three blocks. This is so especially in the case of branches of banks situated in the boundaries of blocks or in the interior rural areas where infrastructural facilities were not available.

TABLE 4.49

	Karnataka	Orissa	West Bengal	Total
Only one block	45	47	39	131
Two blocks	13	10	9	32 (20%)
Three blocks	2	1	1	4
	60	58	49	167

It is seen 20% of bankers have to look after two blocks, while we had 4 cases of bankers looking after 3 blocks. The special problems relating to this situation is discussed at the end of this chapter.

4.50 Logically the bankers were asked if they needed more staff to monitor the IRDP accounts. Their responses to this question are given in table 4.50.

TABLE 4.50 SHOWING WHETHER BANKS REQUIRE MORE STAFF FOR IRDP ACCOUNTS.

Banks requirement for more staff	Karnataka	Orissa	West Bengal	Toral
Yes	45 (75.0)	38 (65.5)	39 (79.6)	122 (73%)
No	12 (20.0)	11 (19.0)	2 (4.1)	25
Not ceratin doubtful	3 (5.0)	9 (15.5)	8 (16.3)	20
	60	58	49	167

It is observed that overwhelming majority of the bankers have expressed the view that they require more staff for maintaining IRDP accounts. However maximum respondents (nearing 80 per cent) in case of West Bengal have expressed this view. This is as already pointed out, despite the fact that one-fourth have more than five officers and about one-third have more than five lower level functionaries in West Bengal.

4.51 Apart from the staff, the performance, both of the officers and the lower level functionaries, is to a considerable extent determined by the discretionary powers they enjoy to take on-the-spot decisions. This is most crucial, given the problems of transportation and communication in our rural areas. The bankers were specifically asked if they had adequate discretionary powers. Their responses are given in the table 4.51.

TABLE 4.51 SHOWING ADEQUACY OF DISCRETIONARY POWERS VESTED IN BRANCHES IN THE BANKS

Adequate of Discretionary powers with the Banks	Karnataka	Orissa	West Bengal	Total
Yes	48 (80.0)	32 (55.2)	37 (75.5)	117 (70.00)
No	12 (20%)	26 (44.8)	12 (24.5)	50
				167



It is observed that there is a wide gap between the three states in respect of discretionary powers. While in case of West Bengal and Karnataka more than three fourths of the respondents have mentioned that they have adequate discretionary powers, the number is just a little over half in case of Orissa. When questioned in detail, it was seen that these discretionary powers are with reference to minor matters or other areas of the banking like deposit mobilisation etc. The bankers did not have discretionary powers to change the IRDP Schemes, reschedule the loan instalment, or increase the loan amount to the beneficiaries. Therefore, the answer of other 20%, 44.8% and 24.5 of bankers in Karnataka, Orissa and West Bengal respectively that they do not have discretionary powers with reference to IRDP programme brings out the correct situation. They have to refer the matter to their bosses in the regional office, or to the lead bank officer, and this delays the work. The papers are submitted and the files move up and down. Therefore it is necessary that the bankers have specific powers to take corrective action with reference to IRDP cases.

4.52 Monitoring of such a programme in the remote areas will also be determined by the kind of link that is established between the field staff at the village level and their headquarters. The respondents were asked to express their view in regard to the flow of information from their own higher authorities (head quarters). The responses are given in table. 4.52.

TABLE 4.52 SHOWING WHETHER AUTHORITIES SEND REGULAR GUIDELINES FOR HANDLING IRDP ACCOUNTS.

Whether authorities send regular guidelines	Karnataka	Orissa	West Bengal	Total
Yes	59 (98.3)	49 (84.5)	41 (83.7)	149 (nearly 90.0)
No	-	3 (5.2)	4 (8.2)	7
No Answer	1 (1.7)	6 (10.3)	4 (8.2)	11
	60	58	49	167

The table 4.52 clearly indicates that there is no problem on this account and probably these guidelines are regularly sent as has been indicated by overwhelming majority in all the states.

4.53 The directives and guidelines may be sent but what is probably needed in the remote areas is that these guidelines should be adequate. The bankers were therefore asked to express their views about the adequacy of the guidelines. The response thus obtained are given in the table 4.53

TABLE 4.53 SHOWING WHETHER THE GUIDELINES SENT BY THE AUTHORITIES TO THE BRANCHES ARE ADEQUATE

Guidelines by the authorities adequate	Karnataka	Orissa	West Bengal	Total
Yes	54 (90.0)	41 (70.7)	35 (71.4)	130 (78.0)
Not at all	1 (1.7)	10 (17.2)	6 (12.2)	17
Only incertain case	5 (8.3)	7 (12.1)	7 (14.3)	20
	60	58	49	167

The table 4.53 indicates that majority of the respondents in all the three states considered guidelines to be adequate. However adequacy was more marked in case of Karnataka than the other two states.

4.54 Besides the working conditions within the banking system and the powers vested in the staff, their performance would depend upon, among other things, to a considerable extent, by their own perception of the beneficiaries. Despite all the shortfalls of the scheme and the problems faced by the staff, their performance may not be hampered if they take kindly to the beneficiaries and involve themselves. The bank officials were asked to give their views about the attitude of the bank staff towards the beneficiaries. Their responses are given in the table 4.54.

TABLE 4.54 SHOWING THE ATTITUDE OF THE STAFF TOWARDS IRDP BENEFICIARIES

Reaction of the staff towards IRDP beneficiaries	Karnataka	Orissa	West Bengal
Involvement	42 (70.0)	39 (67.2)	36 (76.5)
Enthusiasm	6 (10.0)	7 (12.1)	5 (10.2)
Imposition	7 (11.7)	5 (8.6)	2 (4.1)
Does not care	5 (8.3)	7 (12.1)	6 (12.2)

It is observed that the majority of the respondents in all the three states were of the view that the staff had an involvement in the implementations of the scheme. Although there was involvement to carry out the scheme in order to achieve targets, more certainly they were not enthusiastic about it as is evident from the fact that only about ten percent evinced any enthusiasm. Although the number was small, but not insignificant by any means. It is also noted that about a tenth in case of Karnataka and Orissa even held the view that the scheme was an imposition on the staff. About 12% in Orissa and West Bengal, and 8.3% in Karnataka did not care for the schemes.

The 80% of bankers also felt that the workers/officials are transferred too frequently and this results in a situation of starting from scratch. There is no bond of friendship either between the bank officials or the DRDA/BDO officials. This leads to lack of enthusiasm.

- 4.55 In order to evaluate the level of banking services available in these six districts, the data on the area covered by a bank branch in a block in the district, population covered by a bank branch in the block, and the average C.D. ratios in these blocks are evaluated. It is a known fact that we have national averages for these parameters, but the national average does not indicate the specific situations in these districts. Since the six districts studied are more rurally oriented, and as the bank branches studied are fully involved in the IRDP programmes, specific data has been collected for these parameters. The data on population, and area are given in chapter II. The data on c.d. ratios (121 banks) from the 60 blocks are given in Tables 4.55 to 4.60 and table 4.61 gives the total picture.

4.56 The data on population and area covered by a bank branch in the block is also given in Table 4.62 along with the standardized scores.

4.57 Now we are attempting two or three statistical analysis to find out which of the districts/states are doing well or giving better facilities, and also to see whether there are any significant differences between these districts.

#### 4.58 ANOVA TESTS

The Analysis of variance, frequently referred to as ANOVA is a statistical technique specially designed to test whether the means of more than two quantitative populations are equal. The ANOVA test assumes that the sampled populations are normally distributed and have identical variance. It has been found that the analysis of variance test is quite robust with respect to the normality assumption (even moderate departures from this assumption do not change the results much), but any violation of the equal variances assumption seriously affects the validity of the test. The fact is not surprising because the basis of the entire test is the development, from the sample data, of two independent estimates of what is assumed to be the common variance,  $\sigma^2$  of the populations of interest. A first estimate of  $\sigma^2$  is based on the variation among the sample means. The estimate is denoted by  $S^2_A$ ; It is an unbiased estimate of  $\sigma^2$  only if the population means are in fact equal. A second estimate of  $\sigma^2$ , based on the variation of individual sample observations within each sample, is denoted by  $S^2_W$  and is a weighted average of the individual sample variances which always provide an unbiased estimate of  $\sigma^2$ . It can easily be seen that the ratio,  $S^2_A/S^2_W$  will be close to 1, if and only if, the population means are equal to each other. On the other hand, the more the value of this ratio diverges from 1 (and in principle, this ratio of squares can take on any value between zero and positive infinity), the greater is the probability that the population means are not equal to each other. Thus the analysis of variances helps us test hypotheses about the equality of means.

4.59 In our study, the three data on the population coverage by one bank branch, the area coverage by one bank branch, the average C.D. Ratio of a bank branch in a block have been utilised for three Anova tests. Here we have 10 rows and 6 columns.

10 rows = blocks; 6 columns = districts.

Test 1.

Ho: The mean population covered by a bank branch in a block in one district is the same as that for all the other 5 districts: that is mean population  $\mu_{p1} = \mu_{p2} = \mu_{p3} = \mu_{p4} = \mu_{p5} = \mu_{p6}$ .

HA: At least one of the means is different from the others.

Test 2:

Ho : The mean area (sq.kms) covered by a bank branch in a block in one district is the same as that for all the other five districts. That is mean area  $\mu_{A1} = \mu_{A2} = \mu_{A3} = \mu_{A4} = \mu_{A5} = \mu_{A6}$

HA: At least one of the means is different from the others.

Test 3:

Ho: The mean C.D. Ratio of a bank branch in a block in one district is the same as that for all the other five districts. That is mean C.D.  $\mu_1 = \mu_2 = \mu_3 = \mu_4 = \mu_5 = \mu_6$ .

HA: At least one of the means is different from the others.

4.60 The variation among the districts is referred to as explained variation, because it is attributable to inherent difference among them, and it is not attributable to chance. As noted above, the measurement of this variation constitutes the first estimate DMS (S A).

$$DSS = r \sum (\bar{x}_j - \bar{\bar{x}})^2$$

$$DMS = \frac{r \sum (\bar{x}_j - \bar{\bar{x}})^2}{C-1}, \text{ Where } C-1 \text{ is the degrees of freedom}$$

Where  $r$  = number of rows (blocks)  
 $\bar{x}_j$  = mean of the district;  
 $\bar{\bar{x}}$  = grand mean  
 $c$  = No. of columns (districts)  
 DSS = District Sum of Squares.  
 DMS = District Mean Square.



Table 4.55

## KARNATAKA

## TUMKUR DISTRICT- C.D. RATIO

	Canara Bank	IOB	K. Grameen	Karnataka Bank	S.B. India	S.B. Mysore	Syn Bank	Vyasa Bank	Average
1. Tumkur	-	.97	7.73 *	-	-	0.81	-	-	3.17
2. Gunigal	.69	1.46	-	-	-	0.49	1.5	-	1.035
3. Gubbi	-	-	0.28	0.39	-	0.46	-	-	0.376
4. C.N. Hall	-	-	0.62	0.66	-	-	-	-	0.64
5. Turvvekere	-	-	-	-	-	0.46	-	-	0.46
6. Tiptur	-	-	-	-	2.03	-	-	0.71	1.37
7. Madugiri	-	-	-	0.35	-	0.34	-	-	0.345
8. Pavagada	.77	-	4.43	0.81	-	0.30	-	1.15	1.492
9. Sira	-	-	2.80	-	-	0.38	-	-	1.59
10. Korategere	-	-	2.10	-	1.97	2.32	-	-	2.13
Average	.73	1.21	2.046	.55	2.00	.695	1.5	.93	

\* Not included in the average as it distorts the picture.

Mean C.D. ratio for a block in the District ( $\bar{x}$ ) 1.261

S. Deviation = 0.852

Table 4.56

KARNATAKA

## MYSORE DISTRICT- C.D. RATIO

	Canara Bank	Union Bank of India	Syn. Bank	S.B. of India	Cauvery Gramen Bank	S.B. Bank of Mysore	Vijaya Bank	Vyasa Bank	Average
1. Chamaraj Nagar	-	-	0.98	-	-	-	0.39	-	0.685
2. H.D. Kote	-	-	-	-	-	0.70	0.59	-	0.645
3. Humsur	1.0	-	-	-	-	*6.41	-	-	3.7
4. Kollegal	-	-	-	-	-	-	-	0.51	0.51
5. K.R. Nagar	-	-	-	0.67	-	-	-	0.94	0.80
6. Naryankud	-	-	-	-	-	0.98	-	-	0.98
7. Periyapatna	-	-	-	-	3.65	-	-	-	3.65
8. T. Narasipur	-	-	-	-	-	0.88	-	0.43	0.65
9. Yellandur	-	1.3	-	-	0.82	-	-	-	1.06
10. Mysore	-	-	0.29	-	2.14	0.84	-	-	1.09
Average	1.00	1.3	.64	0.67	2.20	0.85	0.49	0.94	

\*Not included in the average.

Mean C.D. ratio for a block in Mysore = 1.377

S. Deviation = 1.163

The mean C.D. ratio for Karnataka = 1.319

ORISSA

Table 4.57 - C.D. Ratio Puri

	Andhra Bank	New Bank of India	S.B. of India	Syn Bank	Uco	P.N. Bank	Puri Gramscen	U.B.I.	DCCB	Average
1. Baliana	-	-	-	-	-	-	4.33	-	-	4.33
2. Bhubuneswar	-	-	2.28	0.92	-	-	4.69	-	1.0	2.22
3. Bramagiri	-	-	-	-	2.63	-	3.73 (3) 4.73	-	-	3.70
4. Delong	-	-	-	-	-	-	2.69 (4) 3.94	-	-	1.82
5. Jatne	0.5	-	-	-	-	0.42	5.28 (5) 4.01	-	*20.00	4.85
6. Kanas	-	-	-	-	-	-	3.81	-	*22.68	3.81
7. Nimapara	-	-	-	-	1.53	-	4.92	-	-	3.22
8. Pipli	-	-	1.85	-	-	-	1.62	-	-	1.73
9. Puri Sadar	-	0.39 0.63	-	-	-	-	1.65	0.69	0.57	0.79
10. Sakshi Gopal	-	-	0.75	-	-	-	2.25	0.69	-	1.23
	0.5	.51	1.63	0.92	2.08	0.42	3.67	0.69	.78	

\* Not included in the average.

Mean C.D. ratio = 2.77

Standard deviation = 1.322



Table 4.58 Ganjam - C.D. Ratio

	Allahabad Bank	Andhra Bank	IOB	SBI	Rasikulya Gramen Bank	DCCB	Average
1. Chatrapur	-	0.16	-	0.45	-	-	.30
2. Digapondi	-	-	-	-	.75	-	0.75
3. Ganjam	-	0.45	0.43	-	-	*17-85	0.44
4. Hinjiticut	-	-	-	0.375	-	-	17.85
5. Kavisuryanagar	-	-	-	-	2.75	2.90	0.375
6. Kallikote	1.53	-	-	-	1.53	-	1.10
7. Kodals	-	-	1.38	-	2.34	-	1.86
8. Khukutakandi	-	-	0.72	-	-	-	0.72
9. Purushotampur	-	-	-	0.91}	2.18	1.24	1.18
				0.41}			
10. Saragada	-	-	-	-	-	0.24	0.24
Average	1.53	0.30	1.26	0.54	1.33	1.46	

Mean C.D. Ratio = 0.9785

Standard deviation = 0.774

\* Not included in averages, as it distorts the picture.

Mean X C.D. ratio for Orissa = 1.874

Nadia - C.D. Ratio Table 4.59

	Allahabad Bank	B.Baroda Grameen	Nadia Bank India	New Bank India	Union Bank India	Average
1. Krishna Nagar I	-	-	0.58	0.41	-	0.49
2. Krishna Nagar II	-	-	*10.79	2.64	0.42	4.62
3. Chapra	-	-	-	2.64	0.36	1.50
4. Tahatta	-	-	0.49	-	-	0.49
5. Karim pore	-	-	0.67	-	-	0.67
6. Ranaghat I	-	-	-	0.36	0.15	0.26
7. Ranaghat II	0.40	-	-	0.21	-	0.30
8. Shanti pur	-	0.20	0.52	-	-	0.36
9. Krishnaganj	-	-	1.91	-	2.27	2.09
10. Manshakati	-	-	-	0.17	0.42	0.30
	0.40	0.20	2.49	1.07	.72	

Mean C.D. Ratio for the block 1.108 . Standard Deviation = 1.303.

Darjeeling C.D. Ratio - Table 4.60

	Allahabad Bank	Central Bank	New Bank	Union Bank	Average
1. Khoriban Phansideva	0.40	-	-	-	0.40
2. Sitiguri	-	-	0.35	0.82	0.58
3. Kurseong	0.16	-	-	4.28	2.22
4. Minik	-	-	0.45	-	0.45
5. Jorebungatow	-	0.47	1.03	-	0.75
6. Rangti Ranghoit	-	-	-	0.30	0.30
7. Darjeeling	-	0.32	0.40	-	0.36
8. Kalimpon I	-	0.21	-	*5.25	2.73
9. Katimpong II	-	-	*11.41	3.10	7.25
10. Gobathan	-	0.53	-	-	0.53
Average	0.28	.38	2.73	2.75	

Mean C.D. Ratio for Darjeeling =1.557

S.D. = 2.061

Mean C.D. Ratio for West Bengal = 1.333.

Table 4.61

Average C.D. Ratio for 6 districts.

	Tumkur	Mysore	Puri	Ganjam	Nadia	Darjeeling
Block 1	3.17	0.69	4.33	0.3	0.49	0.4
2	1.03	0.64	2.22	0.75	4.62	0.58
3	0.38	3.7	3.7	0.44	1.5	2.22
4	0.64	0.51	1.82	0.375	0.49	0.45
5	0.46	0.8	4.85	2.82	0.67	0.75
6	1.37	0.98	3.81	1.1	0.26	0.3
7	0.35	3.65	3.22	1.86	0.3	0.36
8	1.49	0.65	1.73	0.72	0.36	2.73
9	1.59	1.06	0.79	1.18	2.09	7.25
10	2.13	1.09	1.23	0.24	0.3	0.53
Mean	1.261	1.377	2.77	0.978499	1.108	1.557
Standard deviation	0.852	1.163	1.322	0.774	1.303	2.061

Grand Mean  $\bar{\bar{X}} = 1.508583$ . $\sigma_{\bar{\bar{X}}} =$  Standard deviation of the population mean = 0.352.

Table 4.62

## DATA ANALYSIS

		POP/BRANCH	Z VAL	AREA.BRANCH	Z VAL
KARNATAKA					
T	TUMKUR	15191.64	- 0.288	48.42	- 0.216
U	KUNIGAL	9483.05	- 0.728	44.44	- 0.310
M	GUBBI	9087.73	- 0.759	55.51	- 0.048
K	C.N. HALL	10104.12	- 0.680	65.56	+ 0.190
U	TURUVEKERE	8227.89	- 0.8252	43.51	- 0.33
R	TIPTUR	9729.67	- 0.709	43.34	- 0.336
	MADUGIRI	13391.81	- 0.427	70.38	+ 0.305
	PAVAGADA	12238.87	- 0.516	90.88	+ 0.791
	SIRA	10713.95	- 0.63	77.26	+ 0.468
	KORATEGERE	9841.85	- 0.70	49.96	- 0.18
M	CHAMARAJ	11883.35	- 0.543	53.41	- 0.098
Y	H.D.KOTE	10816.94	- 0.625	101.92	+ 1.052
S	HUMSUR	11957.27	- 0.537	59.22	+ 0.040
O	KOLLEGAL	11505.52	- 0.572	121.18	+ 1.509
R	K.R. NAGAR	12254.54	- 0.514	39.47	- 0.428
E	NANJANGUD	11288.33	- 0.589	41.43	- 0.382
DISTRICT	PERIYAPATNA	11078.14	- 0.605	58.59	+ 0.025
	T. NARSIPUR	11016.81	- 0.610	29.59	- 0.066
	YELLANDUR	8767.86	- 0.783	38.41	- 0.463
	MYSORE	40319.01	+ 1.650	50.62	- 0.164
ORISSA					
	BALIANTA	10557.88	- 0.65	15.86	- 0.986
	BHUBNESHWAR	9709.71	- 0.71	115.71	- 0.696
P	BRHMAGIRI	17668.01	- 0.097	115.71	+ 1.379
U	DELANG	15529.83	- 0.262	20.89	- 0.869
R	JATNE	12149.51	- 0.522	16.51	- 0.972
I	KANWAS	18959.21	+ 0.003	26.07	- 0.746
DISTRICT	NIMAPARA	24586.31	+ 0.437	70.12	+ 0.298
	PIPLI	14977.14	- 0.304	17.18	- 0.957
	PURI SADAR	12973.27	- 0.459	30.63	- 0.638
	SAKSHI GOPAL	16301.21	- 0.20	76.02	+ 0.438
G	CHATRAPUR	7100.73	- 0.91	12.83	- 1.060
A	DIGAPONDI	28267.75	+ 0.721	133.39	+ 1.798
N	GANJAM	10041.33	- 0.685	23.53	- 0.806
J	HINJILICUT	18531.01	- 0.030	21.04	- 0.865
A	KAVISURYA	8917.49	- 0.772	13.15	- 1.05
M	KHALIKETE	16707.33	- 0.171	23.53	- 0.806

DISTRICT	KODALS	31933.33	+ 1.0034	107.07	+ 1.175
	KUKUDAKANDI	29914.33	+ 0.848	72.27	+ 0.349
	PURUSHOTAMPUR	19665.39	+ 0.057	28.24	- 0.694
	SARAGADA	20276.51	+ 0.104	59.21	+ 0.040

W. BENGAL	KRISHNAGAR -1	15665.23	- 0.25	17.57	- 0.95
	KRISHNAGAR -2	24622.51	+ 0.420	30.81	- 0.63
N	CHAPRA	35944.41	+ 1.313	62.01	+ 0.106
A	TOHATTO	79448.67	+ 4.668	141.07	+ 1.980
D	KARIMPORE	30462.13	+ 0.890	28.21	- 0.70
I	RANAGHAT -1	52573.38	+ 2.596	55.31	- 0.05
A	SHANTIPUR	33251.33	+ 1.105	25.73	- 0.75
DISTRICT	KRISHNAGANJ	13008.71	- 0.456	21.61	- 0.85
	HANSKHALI	17537.01	- 0.107	26.91	- 0.73
	RANAGHAT-2	52573.38	+ 2.595	57.39	- 0.003

D	KHORIBARI	39258.25	+ 1.568	113.96	+ 1.338
A	SILIGURI	8667.94	- 0.79	10.41	- 1.117
R	KURSEONG	16311.61	- 0.201	60.98	+ 0.082
J	MIRIK	9756.67	- 0.707	32.47	- 0.59
E	JOKEBUNGALOW	20251.01	+ 0.102	96.47	+ 0.923
E	RANGLI	25659.01	+ 0.520	153.8	+ 2.284
L	DARGEELING	11343.46	- 0.58	18.61	- 0.923
I	KALIM PONG .1	15035.81	- 0.30	38.41	- 0.4532
N	KALIM PONG .2	20963.01	+ 0.157	142.61	+ 2.017
G	GORUBATHAN	19434.01	+ 0.039	223.01	+ 3.923

DISTRICT

	TOTAL	MEAN VALUE	18923.89	-	57.52	-
	SAMPLE	STD. DEVIATE	12964.91		42.18	
D	TUMKUR	MEAN	10801.05	-0.626	58.926	+0.033
I		STD. DEVIATE	2047.23		15.5773	
S	MYSORE	MEAN	14088.78	-0.373	59.384	+0.044
T		STD. DEVIATE	8791.08		27.91	
R	PURI	MEAN	15341.208	-0.27	41.717	- 0.37
I		STD. DEVIATE	4188.719		32.17	
C	GANJAM	MEAN	19135.52	+ 0.016	49.426	- 0.1921
T		STD. DEVIATE	8385.446		40.301	
S	NADIA	MEAN	35508.676	+ 1.279	46.662	- 0.26
		STD. DEVIATE	19711.379		34.97	

DARJEELING		MEAN	18668.078	-0.0197	89.078 + 0.75
		STD. DEVIATE	85611.54		6.87
S T	KARNATAKA	MEAN	12444.92	-0.50	59.155 + 0.03852
		STD. DEVIATE	6590.86		22.599
A T	ORISSA	MEAN	17238.364	-0.1200	45.57 -0.281
		STD. DEVIATE	6894.18		36.666
E S	W. BENGAL	MEAN	27088.377	+0.629	67.87 +0.245
		STD. DEVIATE	17372.987		56.81

#### 1.61 Variation within columns due to error

The unexplained variation or residual variation or error is attributable to chance. The measurement of this variation is the second estimate  $S^2_W$ .

$$\text{ESS} = \sum_{j=1}^c \sum_{i=1}^r (x_{ij} - \bar{x}_j)^2$$

(Error sum of squares)

$$\text{Error Means Square (EMS)} = S^2_W = \frac{\text{ESS}}{(r-1)C},$$

Where  $(r-1)C$  is the degrees of freedom.

$r$  = number of blocks

$c$  = number of districts

The Anova table shows for each source of variation, the sum of squares, the degrees of freedom, and the ratio of the sum of squares to the degrees of freedom. The last row of the table gives the total sum of squares and the total degrees of freedom.

In the last column, the ratio of the two independent estimates of the common population variance equal to  $\text{DMS}/\text{EMS}$  is calculated. It would be close to 1 whenever the null hypothesis of equal population means was true. This ratio is used as the ANOVA test statistic and is denoted by  $F$ . The probability distribution of  $F$  helps us to decide whether any given divergence of " $F$ " from 1 is significant enough to warrant the rejection of the null hypothesis of equal population means.

The ANOVA table is given below:

	Sum of squares	D.F.	Mean sq.	Test statistic (F)
Explained variation (among columns)	DSS	C-1	$\frac{DSS}{C-1}$	$F = \frac{DMS}{EMS}$
			= DMS	
Error (within columns)	ESS	(r-1)C	$\frac{ESS}{(r-1)C}$	
			= EMS	
Total	Total SS	rc-1		

#### 4.62 Discriminating among population means.

Whenever the analysis of variance leads to the rejection of the null hypothesis of equal population means and thus suggests there are differences among them, the analyst inevitably asks which of the means differ. We can estimate the confidence interval limits for population mean for each district.

$$u_j = \bar{x}_j \pm (t \sqrt{\frac{EMS}{n}})$$

Where  $\bar{x}_j$  = sample mean or the district

EMS = error mean square

n = sample size for each district

t = t statistic for the chosen Confidence level and the d.f. of EMS.

$U_j$  = population mean for the district.

Analysing our data using the ANOVA method we get the following results.

Table 4.63 Population covered by one bank branch - ANOVA (One Way Table).

Sample 10 per district for 6 districts.

Sources of variation	sum of squares	Degrees freedom	Mean square DMS	Test statistic F
Among districts	DSS = 3173.59	5	634.71	$= \frac{634.71}{118.221}$
UNEXPLAINED	ESS 6383.934	54	EMS 118.221	$= 5.3688$
Total	9557.524	59		

DMS is the variation among sample means. EMS is the variation of individual sample observations within samples. The actual value of  $F = 5.3688$  is greater than the critical value 2.39 ( $F_{\alpha, 0.05}$  level of significance) for  $df (5, 54)$ . Therefore the null hypothesis that the mean number of persons covered by the bank branches in all the districts is same is rejected. At least one of the population means is different from the others.

The limits of confidence interval of the population mean for a district.

$$u_j = \bar{x}_j + (t \sqrt{\frac{EMS}{n}})$$

$$u_j = \bar{x}_j + (2.0) \sqrt{\frac{(118.22)}{(10)}} \quad (95\% \text{ confidence})$$

$$= \bar{x}_j + 6.88$$

TUMKUR	$10.8 + 6.88 = 3.92 \text{ TO } 17.68$
MYSORE	$14.08 + 6.88 = 7.20 \text{ TO } 20.96$
PURI	$15.34 + 6.88 = 8.46 \text{ TO } 22.22$
GANJAM	$19.13 + 6.88 = 12.25 \text{ TO } 26.01$
NADIA	$33.61 + 6.88 = 26.73 \text{ TO } 40.49$
DARJEELING	$18.66 + 6.88 = 11.78 \text{ TO } 25.54$

It is seen that even though there is overlapping, branches in Nadia have to cover more population.

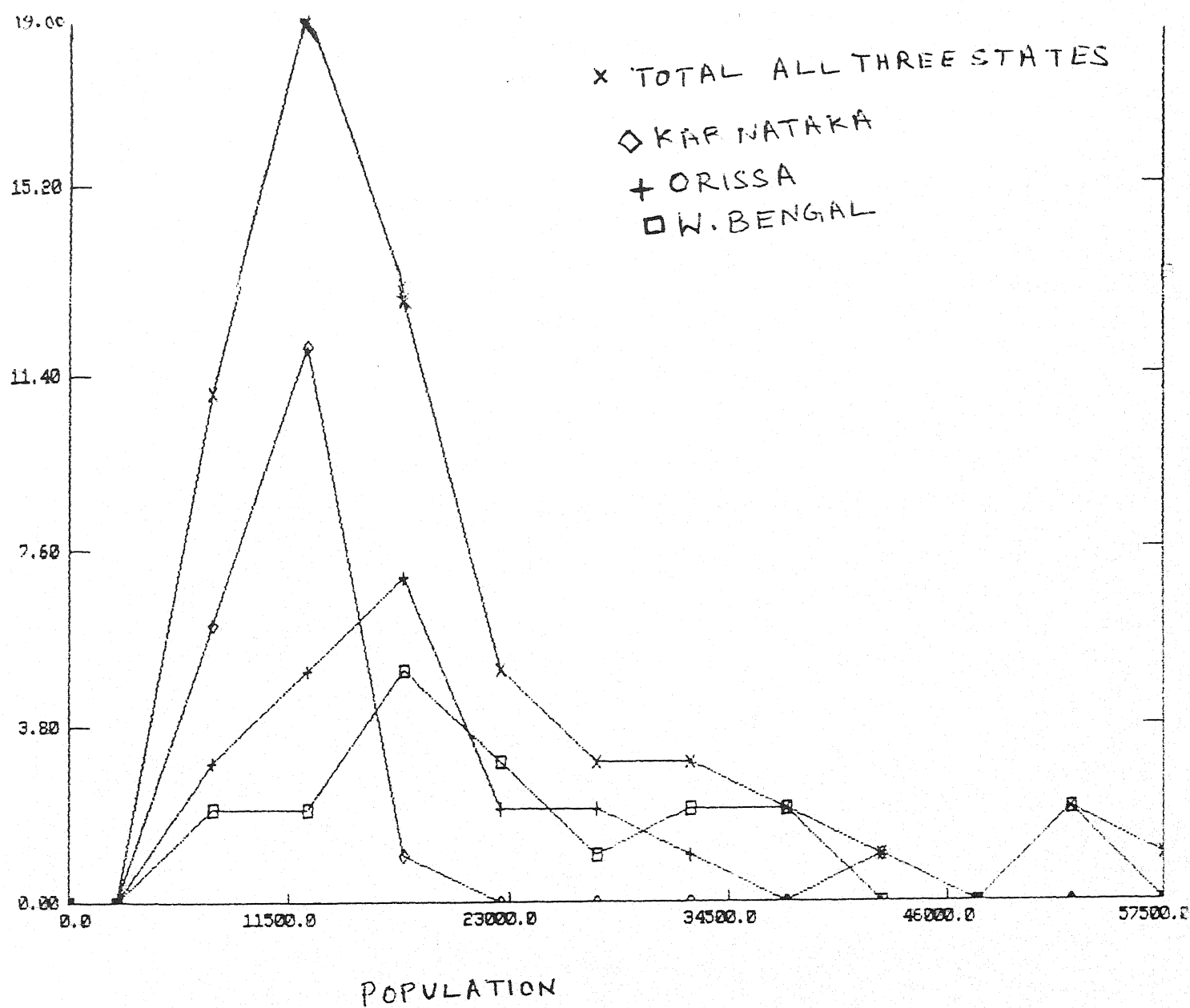
Mysore & Puri were more or less same, Darjeeling and Ganjam were more or less equal and Tumkur had to cover less population. The graphs for population coverage for the 3 states & the total picture is attached.



Frequency Table of Population Serviced by Bank Branches.

	Tumkur	Mysore	Puri	Ganjam	Nadia	Darjeeling	Total
0 - 5000	0	0	0	0	0	0	0
5000 - 10000	5	1	1	2	0	2	11
10000- 15000	4	8	4	1	1	1	19
15000- 20000	1	0	4	3	2	3	13
20000- 25000	0	0	1	1	1	2	5
25000- 30000	0	0	0	2	0	1	3
30000- 35000	0	0	0	1	2	0	3
35000- 40000	0	0	0	0	1	1	2
40000- 45000	0	1	0	0	0	0	1
45000- 50000	0	0	0	0	0	0	0
50000- 55000	0	0	0	0	2	0	2
55000- 60000	0	0	0	0	0	0	0
60000- 65000	0	0	0	0	0	0	0
65000- 70000	0	0	0	0	0	0	0
70000- 75000	0	0	0	0	0	0	0
75000- 80000	0	0	0	0	1	0	1
Total	10	10	10	10	10	10	60

# FREQUENCY DISTRIBUTION OF POPULATION SERVICED BY ONE BANK BRANCH.



4.64 analysis of variance for average Area covered by a bank branch.

Sample 10 per district for 6 districts.

Table 4.64

Sources of variation	sum of squares	Degrees freedom	Mean square	Test statistic F
Among districts	14344.9	5	2868.98	
UNEXPLAINED error	83178.16	54	1540.34	=1.862
Total	97523.06	59		

Since  $F(\text{cal}) = 1.862$  which is less than the critical value,  $F_{0.50} = 2.39$ , the hypothesis is not rejected.

With reference to covering the area in the districts the bank branches are same. 
$$u_j = \bar{x}_j + t \sqrt{\frac{\text{EMS}}{(n)}}$$

TUMKUR	$58.93 + 24.82 = 34.11$ to $83.75$
MYSORE	$59.39 + 24.82 = 34.57$ to $84.21$
PURI	$41.72 + 24.82 = 16.90$ to $64.25$
GANJAM	$49.43 + 24.82 = 24.61$ to $74.25$
NADIA	$46.66 + 24.82 = 21.84$ to $71.48$
DARJEELING	$89.08 + 24.82 = 64.26$ to $113.90$

It is seen that most of the areas covered by any one branch in a district is overlapping. The graphs for area coverage for the three districts and the total picture is attached in the next page.

4.65 The C.D. Ratio data from 121 banks of 60 blocks were averaged for each block, so that we have a consistent block wise sample data for each district. The average C.D. Ratio for each block has been used to find the average for the district and for the whole sample. This is used for one way anova test with reference to the C.D. Ratio.

Frequency Table of Area Serviced by Bank Branches.

Value	Tumkur	Mysore	Puri	Ganjam	Medin	Purjooling	Total
0 - 25	0	0	4	5	2	2	13
25 - 50	5	1	3	1	1	2	19
50 - 75	3	4	1	2	3	1	14
75 - 100	2	0	1	0	0	1	4
100 - 125	0	2	1	1	0	1	5
125 - 150	0	0	0	1	1	1	3
150 - 175	0	0	0	0	0	1	1
Grater than 175	0	0	0	0	0	1	1
Total	10	10	10	10	10	10	60

Value	Karnataka	Orissa	W. Bengal	Total
0 - 25	0	9	4	13
25 - 50	9	4	6	19
50 - 75	7	3	4	14
75 - 100	2	1	1	4
100 - 125	2	2	1	5
125 - 150	0	1	2	3
150 - 175	0	0	1	1
Grater than 175	0	0	1	1

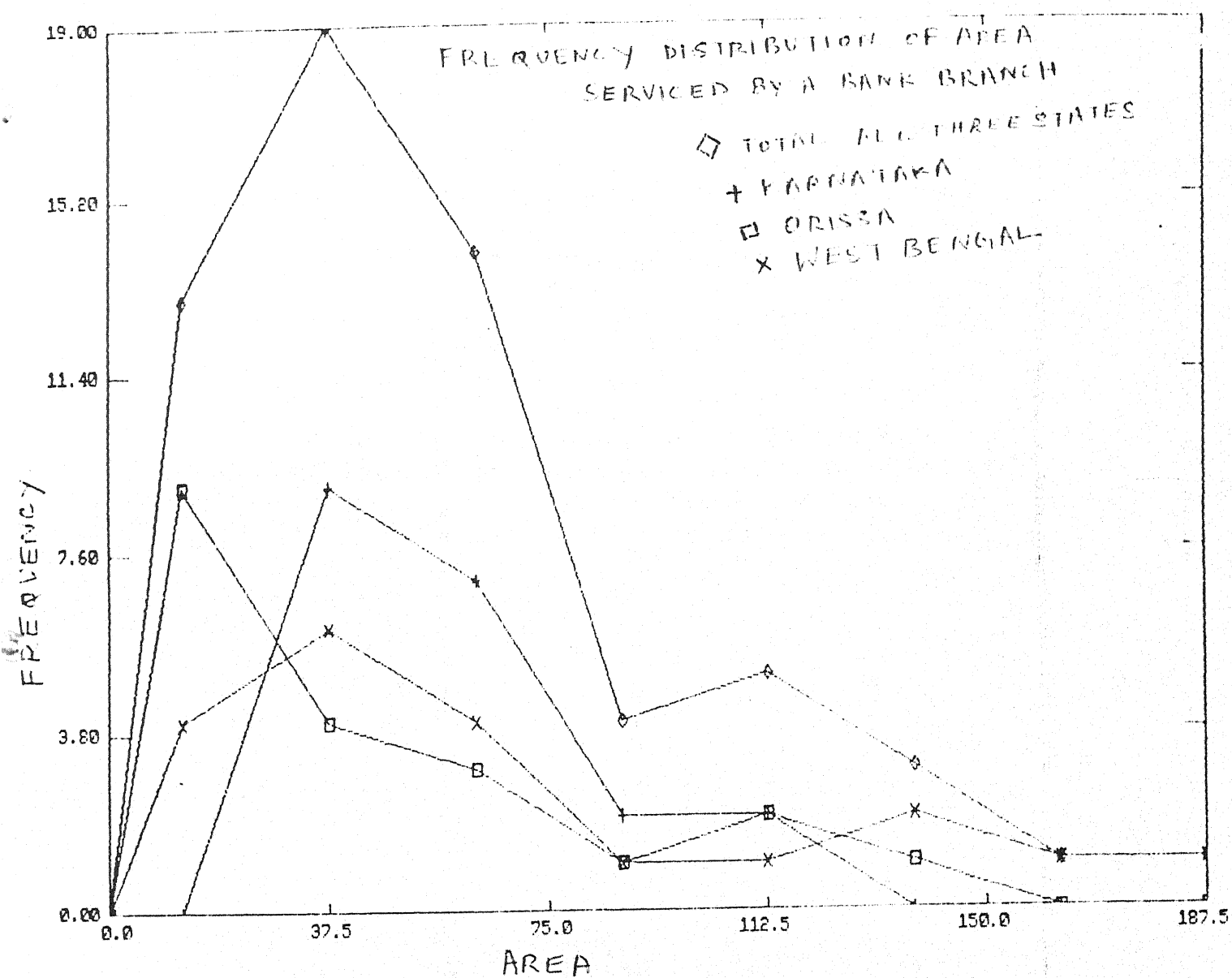


Table 4.65

The grand C.D. Ratio mean  $\bar{x} = 1.4394$

Source of variation	sum of quares	df	Mean sq.	Ft.Value
Between districts	DSS 22.36	5	4.47	DMS
				EMS
Unexplained	71.98	54	EMS 1.332	= 3.3558
Total	94.34	59		

Table value (F5,54) = 2.39 ( $\alpha$ .05)

Since the actual calculated value is greater than 2.31, the null hypothesis that the mean c.d. ratio of the bank branches in all the districts is same is rejected. At least one district is different from the others.

The confidence limits of mean c.d. ratio is

$$u_j = \bar{x}_j + t \sqrt{\frac{EMS}{n}} = \bar{x}_j + 0.73$$

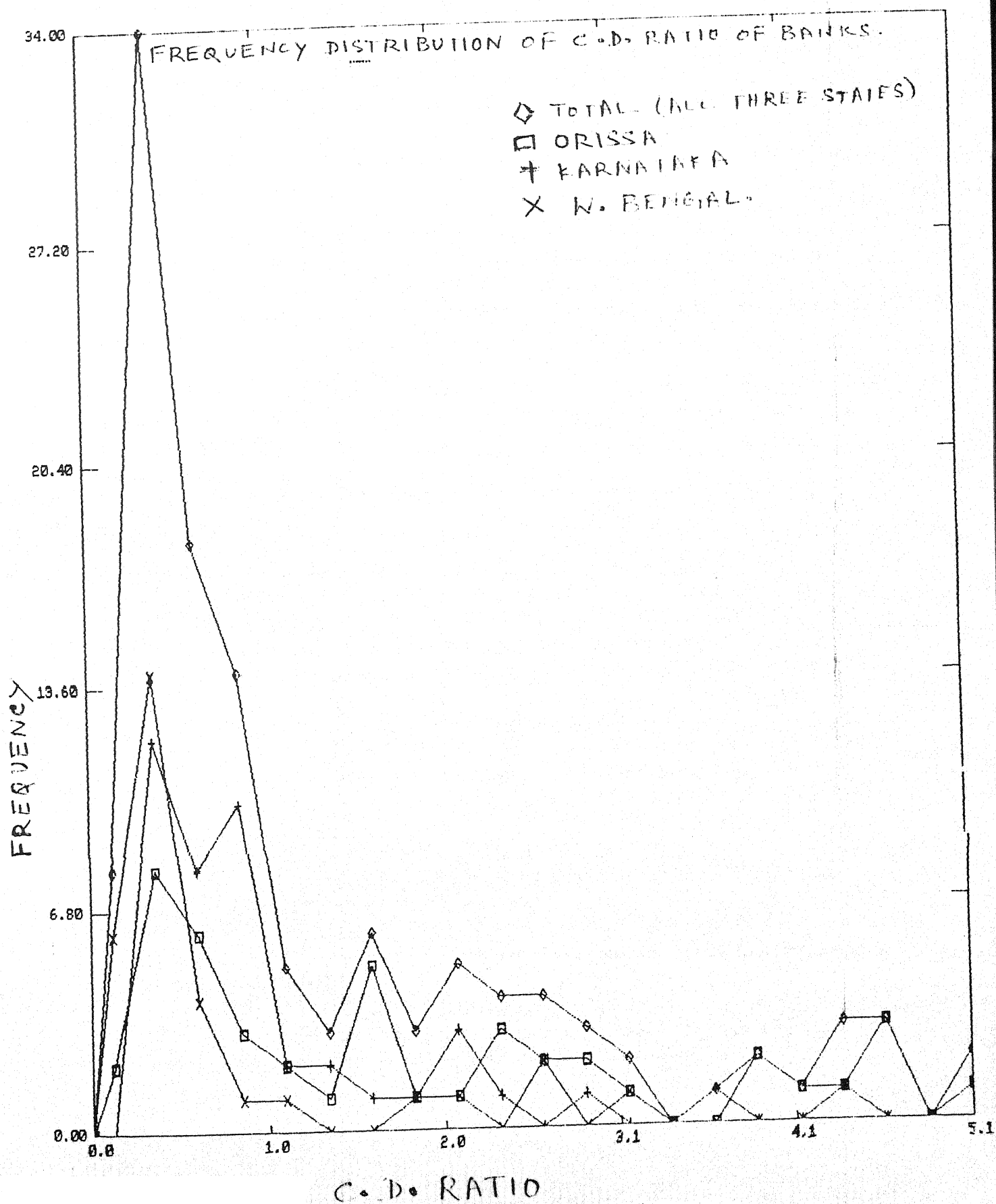
Therefore the confidence limits are

TUMKUR	1.26 + 0.73	= 1.99 to 0.53
MYSORE	1.38 + 0.73	= 2.11 to 0.65
PURI	2.77 + 0.73	= 3.50 to 2.04
GANJAM	0.98 + 0.73	= 0.25 to 1.71
NADIA	1.11 + 0.73	= 1.84 to 0.38
DARJEELING	1.56 + 0.73	= 2.29 to 0.83

It is seen Nadia & Ganjam are much lower than others, Puri is having a good & high c.d. ratio, while Tumkur, Mysore & Darjeeling are on a medium scale. The lowest c.d. ratio being 0.25 and the highest 3.5, we have the following situation depicted in the c.d. ratio graph which is attached attached (4 curves, - Karnataka, Orissa, West Bengal & total).

Frequency distribution of C.D. Ratio of banks Sample size 121.

	Tumkur	Mysore	Puri	Ganjam	Nadia	Darjeeling	Total
0.00 - 0.25	0	0	0	2	4	2	8
0.25 - 0.50	9	3	3	5	7	7	34
0.50 - 0.75	4	4	5	1	3	1	18
0.75 - 1.00	4	6	1	2	0	1	14
1.00 - 1.25	1	1	1	1	0	1	5
1.25 - 1.50	1	1	0	1	0	0	3
1.50 - 1.75	1	0	3	2	0	0	6
1.75 - 2.00	1	0	1	0	1	0	3
2.00 - 2.25	2	1	0	1	1	0	5
2.25 - 2.50	1	0	2	1	0	0	4
2.50 - 2.75	0	0	2	0	2	0	4
2.75 - 3.00	1	0	0	2	0	0	3
3.00 - 3.25	0	0	1	0	0	1	2
3.25 - 3.50	0	0	0	0	0	0	0
3.50 - 3.75	0	1	0	0	0	0	1
3.75 - 4.00	0	0	2	0	0	0	2
4.00 - 4.25	0	0	1	0	0	0	1
4.25 - 4.50	1	0	1	0	0	1	3
4.50 - 4.75	0	0	3	0	0	0	3
4.75 - 5.00	0	0	0	0	0	0	0
5.00 - 5.25	0	0	1	0	0	1	2
Total	26	17	27	18	18	15	121.





#### 4.66 Standardisation & Ranking

In order to evaluate the level of banking services provided by the banking sector the data on the profile of the three districts and sixty blocks have been analysed as follows. The data on the coverage of population by one bank branch, the area of coverage by one bank branch and the c.d. ratio graph of the banks in the block, have been turned to standard scores (  $\frac{x-u}{s}$  ) and categorised into 3 groups. The mean coverage index (called grade) with reference to each district has been calculated.

1. Population : The population covered by one bank office in the block has been turned to a standard scale by using mean and standard deviation of the total sample. Then, they are divided into 3 groups - high population coverage, Medium population coverage, and low population coverage.

a. When the value is greater than 0.675 std. deviation ( +.675 $\sigma$  ), the population covered is high. The block is given a low value (poor service) grade 1.

b. when the value is between  $\pm 0.675\sigma$ , then the coverage is medium, and the block gets grade 2

c. When the value is less than - 0.675 $\sigma$  then population to be covered is low and the block gets grade 3 better service. The higher the coverage of population, lower the quality of effective services. Therefore the grade decreases when the population coverage increases. This can be improved by increasing the number of branches in high coverage blocks.

#### 2. Area

In the same way the area covered by one bank branch for servicing the block has also been turned to standard scale. Then the blocks are again divided into 3 groups.

a. A block in which the bank branch covers a large area — Grade 1 greater than 0.675 $\sigma$  level.

b. A block in which the bank branch covers a medium level area — Grade 2 — between  $\pm 0.675\sigma$ .

c. A block in which the bank branch covers a lower of area the services can be done better — grade 3 — less than — 0.675 $\sigma$

It should be noted that the area also represents the distance of the bank to the beneficiary. If we take the square root of the area covered, it will give the mean distance in those areas to reach the bank. The distances actually travelled to reach the bank will be greater in many cases as the areas are not always square. It can be seen that in many cases they are more than 6 to 7 kms.

3. The c.d. ratios of the banks in the blocks are also averaged. Generally when the c.d. ratio = 1.00, we mean that the advances and deposits are equal and the block gets at least the amount deposited by its people. But it is not always the case. Where the developmental activity takes place, the advances will have to be greater than the deposits. It is a known fact that many urban centres are serviced by the deposits of the rural masses. Here the c.d. ratios are divided into three groups, in order to rank the service effectiveness.

A. C.D. Ratio is less than 0.75, the grade is 1

B. C.D. Ratio is between 0.75 to 1.25, the grade is 2

C. C.D. ratio is greater than 1.25, the grade is 3.

A block can get a maximum grade of 9 and the lowest grade total will be 3. Then the average mean value of grades, and the grade standard deviation is used to categorise the blocks into poor blocks, medium blocks and good service blocks in the sample. This will give us an idea of the current situation of banking services in the sample (60) blocks of the three states.

P.T.O.

GRADES

	Pop.	Area	C.D. Ratio	total
<hr/>				
KARNATAKA				
TUMKUR DT.	2	2	2	6
KUNIGAL	3	2	2	7
GUMBI	3	2	1	6
C.N. HALL	3	2	1	6
TURUVKERE	3	2	1	6
TIPPIUR	3	2	3	8
MADUGIRI	2	2	1	5
PAVAGADA	2	1	3	6
SIRA	2	2	3	7
KORATTEGERE	3	2	3	8
<hr/>				
MYSORE DISTRICT				
CHAMARAJ NAGAR	2	2	1	5
H.D. KOTE	3	1	1	5
KUMSUR	2	2	2	6
KOLLEGAL	2	1	1	4
K.R. NAGAR	2	2	2	6
NANJANGUD	2	2	2	6
PERIYAPATNA	2	2	3	7
T. NARASIPUR	2	2	1	5
YELLANDUR	3	2	2	7
MYSORE	1	2	2	5
<hr/>				
TUMKUR DISTRICT	3	2	2	7
MYSORE DISTRICT	2	2	2	6
KARNATAKA STATE	2	2	2	6
<hr/>				

GRADES

	Pop.	Area	C.D. Ratio	Total
<hr/>				
ORISSA				
PURI DISTRICT				
BALIENTA	2	3	3	8
BHUBANESWAR	3	3	3	9
BAHMAGIRI	2	1	3	6
DELANG	2	3	3	8
JATNE	2	3	3	8
KANAS	2	3	3	8
NIMAPARA	2	2	3	7
PIPLI	2	3	3	8
PRI SADAR	2	3	2	7
SAKSHI GOPAL	2	2	2	6
<hr/>				
GANJAM DISTRICT				
CHATRAPUR	3	3	1	7
DIGAPONDI	1	1	2	4
GANJAM	3	3	1	7
HINJLICUT	2	3	1	6
KAVISMYANAGAR	3	3	3	9
KHALIKETE	2	3	3	8
KODALS	1	1	3	5
KUKUDAKANDI	1	2	1	4
PURUSHOTAMPUR	2	3	2	7
SARAGADA	2	2	1	5
<hr/>				
PURI DISTRICT	2	2	3	7
GANJAM DISTRICT	2	2	2	6
ORISSA STATE	2	2	3	7
<hr/>				

GRADES

	Pop.	Area	C.D. Ratio	Total
WEST BENGAL				
NADIA DISTRICT				
KRISHNAGAR -1	2	3	1	6
KRISHNAGAR -2	2	3	3	8
CHAPRA	1	2	3	6
TOHATTO	1	1	1	3
KARIMPORE	1	3	1	5
RANAGHAT I	1	2	1	4
SHANTIPUR	1	3	1	5
KRISHNAGANJ	2	3	1	6
KANSKHALI	2	3	3	8
RANAGHAT II	1	2	1	4
DARJEELING DISTRICT				
KHORIBARI PANSEDEWA	1	1	1	3
SILIGURI	3	3	1	7
KURSEONG	2	2	1	6
MIRIK	3	2	1	6
JOREBUNGALOW	2	1	2	5
RANGLI RANGLOIT	2	1	1	4
DARKEELING PULBARAR	2	3	3	5
KALIMPONG I	2	2	1	5
KALIMPONG II	2	1	3	6
GORUBATHAN	2	1	1	4
NADIA DISTRICT	1	2	2	5
DARJEELING DISTRICT	2	1	2	5
W. BENGAL STATE	1	2	2	5

## TOTAL GRADES

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D	MAXIMUM	30	30	30	90
I	TUMKUR	26	19	20	65
S	MYSOR	21	18	17	56
T	PURI	21	26	23	75
R	GANJAM	20	21	18	62
I	NADIA	14	25	16	55
C	DARJEELING	21	17	15	53
T					
S					
S	MAXIMUM	60	60	605	120
T	KARNATAKA	47	37	375	121
A	ORISSA	41	50	165	137
T	W. BENGAL	35	42	315	108
E					
S					

---

Block mean grade  $6.1/S.D. = 1.4456$ .

From the above tables it is seen we have blocks with as low as 3 grades and also blocks with grade 9.

The two blocks with the low grade of 3 are in West Bengal and the blocks with the high grade of 9 are in ORISSA. The graphs depicting the frequency values of grades is attached. It is also seen that in the district evaluation both Nadia & Darjeeling got 5, while Tumkur and Puri got 7., Ganjam & Mysore got 6. In the states evaluation Orrisa, got the highest i.e. 7, Karnataka 6 and West Bengal 5.

In the total grading, Puri got 75, while Darjeeling and Nadia got 53 and 55 respectively.

In order to find whether the grades are independent of the States, whether there is any significant difference between the states, a  $\chi^2$  contingency test is performed on the grade data.

The number of blocks under the low, medium & high grades are grouped for each state.

Table 4.66 Grades

	3-5	6-7	8-9	Total
Karnataka	6	12	2	20
Orissa	4	8	8	20
W. Bengal	10	8	2	20
Total	20	28	12	60

(cal) = 9.9958 d.f. = 4

The critical value  $\alpha.05 = 9.488$

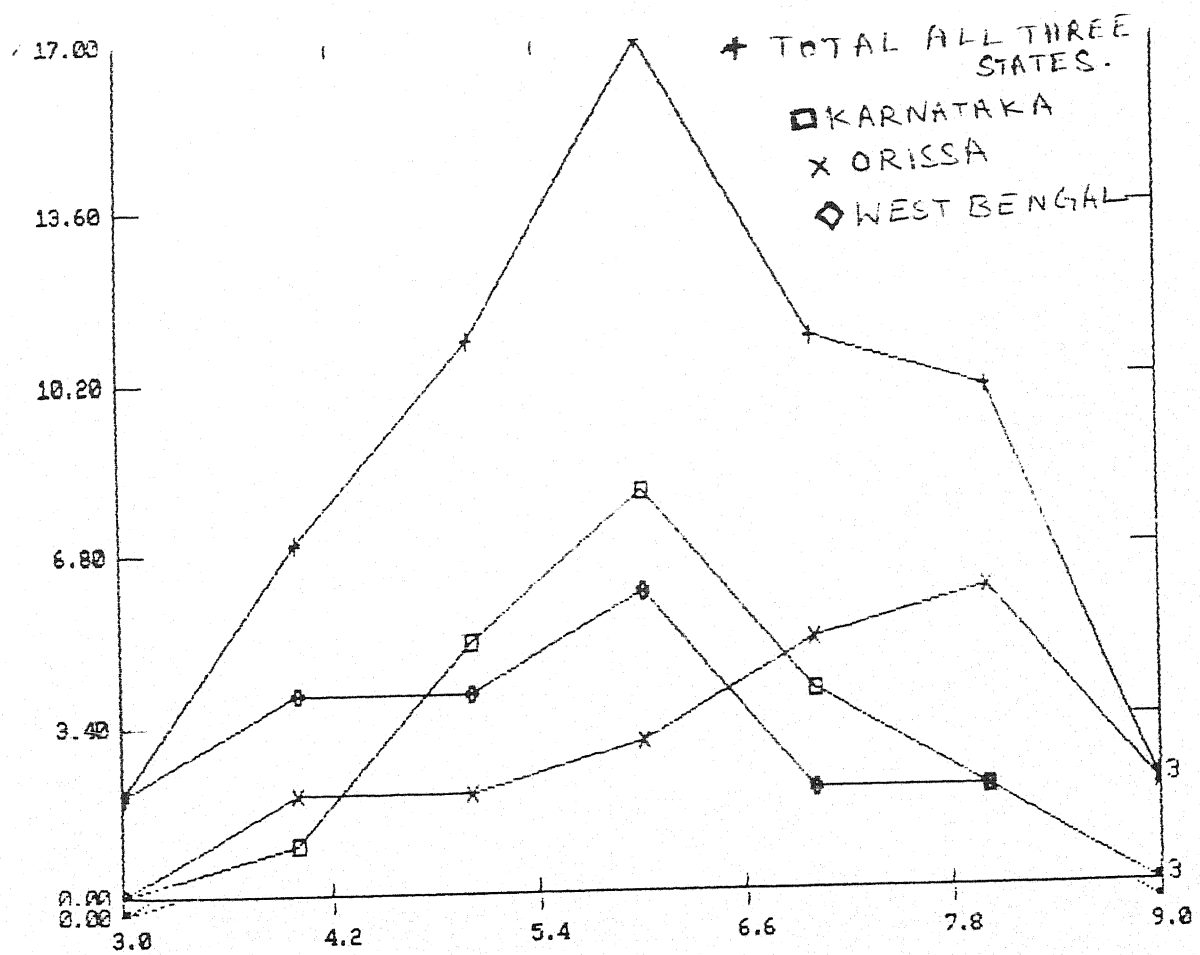
$\alpha.01 = 13.277$

At ( $\alpha.05$ ) level of significance, we may reject the independence, but of ( $\alpha.01$ ) we may conclude that the null hypothesis may not be rejected. It is more or less on the border line of dependency and they are not fully independent of the State in which we measure the grades. The grades graph for all the three states and the total picture is attached herewith.

#### FREQUENCY DISTRIBUTION OF GRADES.

Frequency	Karnataka	Orissa	W. Bengal	Total
3	0	0	2	2
4	1	2	4	7
5	5	2	4	11
6	8	3	6	17
7	4	5	2	11
8	2	6	2	10
9	0	2	0	2

# FREQUENCY DISTRIBUTION OF GRADES.





The above grading brings out the fact that only in 20% of the blocks the service is good, while in 33% of the blocks the service is poor and in 47% of the blocks it is medium.

4.67 A  $\chi^2$  test on the c.d. ratios of different types of banks has also been done to see whether there is a significant difference in their operations especially with reference to rural advances. The banks have been divided into 3 groups; viz., (i) big banks like State Bank of India etc., (ii) regionally oriented banks like Vyasa bank, Karnataka bank, and (iii) rural banks or Grameen banks.

The data collected from 21 banks covering 6 districts was classified and the following table depicts the picture.

Table 4.67 Bank Type

C.D. Ratio	Big banks	Grameen Bank	Regionally oriented banks	Total
0 - 1.00	40	13	21	74
1 - 2.00	8	7	2	17
Greater than 2.00	7	21	2	30
	55	41	25	121

$$\chi^2 = 27.67 \quad df = 4$$

$$\chi_{.05} = 9.48 \quad \chi_{.01} = 13.27$$

The null hypothesis that the c.d. ratios of the banks are independent of the type of banks is rejected. It is proved that either grameen banks or regionally oriented banks make special efforts to increase the advances, where as the big public sector banks do not make the speical effort. They are more urban oriented and the rural deposits pay for the advances in big cities.

4.68 Another  $\chi^2$  was conducted on the c.d. ratio data to find out whether there is a significant difference between the bank branches operating in the three states.

Table 4.68 C.D. Ratio Vs States

	Karnataka	Orissa	West Bengal	Total
0.00 - 1.00	30	19	25	74
1.00 - 2.00	6	9	2	17
Grater than 2.00	7	17	6	30
Total	47	45	33	121

$$\chi^2 = 11.84 \quad df = 4$$

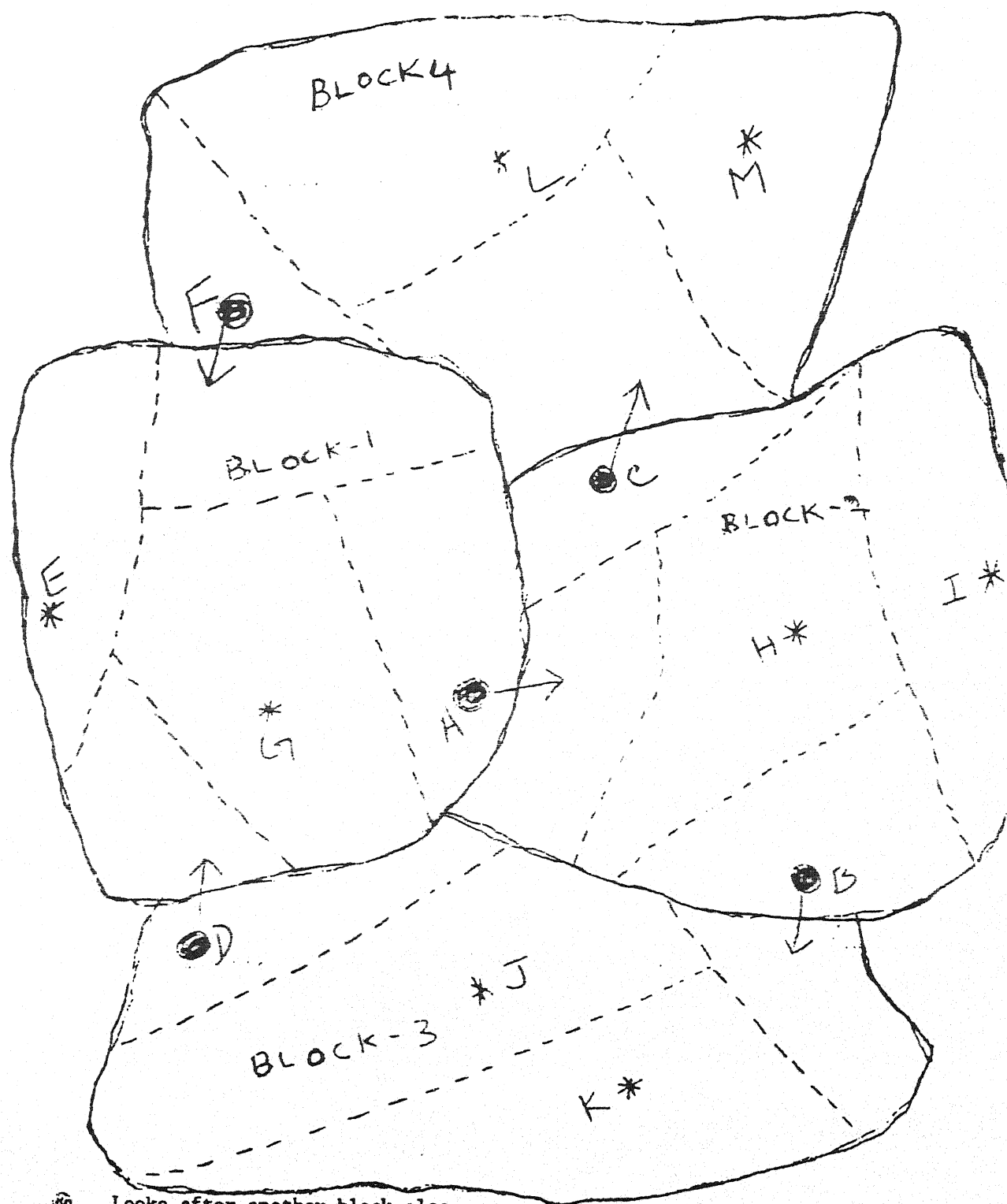
$$\chi_{.05} = 9.48$$

It is proved from the above result that the null hypothesis is rejected. The C.D. Ratio in the different districts are not independent of the location, and they are not the same in each district. This leads to the conclusion, that out of all the three districts higher C.D. Ratios are in Orissa and this is due to the advances given by the regional/grameen banks,. while lower C.D. ratios are mostly in Karnataka and West Bengal.

All the above analysis points out the fact that the attitude towards service for the rural poor should be positively developed and the banking personnel in big banks should be more involved with the rural poor.

4.69 Discussing about the coordination between the different bank branches, the bank officials explained their experiences during the study tour. It brought us face to face with the following situation, where we found that some bank branches had to look after 2 different blocks, while some had only one block workload. According to the bank officials they can manage the overload, but the interaction and organisational problems increased geometrically. A particular situation is cited below, which actually quantifies the interaction problem.

We have a picture of 13 bank branches located in 4 blocks of a district, in the next page and the coordination problem is explained through an interaction matrix.

Diagram

This particular situation brings out the fact how the 13 bank branches located in 4 blocks of a given district worked and coordinated in practice.

Bank Branch	Location	Working for Blocks
A	Block 1	1,2
B	Block 2	2,3
C	Block 2	2,4
D	Block 3	3,1
E,G	Block 1	1,
F	Block 4	4,1
H,I	Block 2	2
J,K	Block 3	3
L,M	Block 4	4

In the given situation we have bank branches located within a given block and catering to only that block and we have also bank branches located in a block but catering to two blocks; that is the block where it is located and its adjacent block. In the diagram which gives us a picture of 4 blocks with 13 bank branches we can see large unbanked areas and the imaginary demarcation with reference to area of operation.

Now the next table in the next page gives us the data with reference to banks and their areas of operation. We find that blocks 1 and 2 are coordinated by 6 bank branches each, and blocks 3 and 4 are coordinated by 4 bank branches each.

P.T.O.

Blocks Serviced.							
			1	2	3	4	Total Number of block serviced
Bank							
Branches	1	A	**	*	-	-	2
	2	B	-	**	*	-	2
	3	C	-	**	-	*	2
	4	D	*	-	**	-	2
	5	E	**	-	-	-	1
	6	F	*	-	-	**	2
	7	G	**	-	-	-	1
	8	H	-	**	-	-	1
	9	I	-	**	-	-	1
	10	J	-	-	**	-	1
	11	K	-	-	**	-	1
	12	L	-	-	-	**	1
	13	M	-	-	-	**	1
Number of Branches located in the block.			3	4	3	3	13
Number of other branches servicing the block			2	1	1	1	5
Total Number of branches to be coordinated in the block.			5	5	4	4	18

\*\* Branch is located in the block.

\* Branch servicing the block, but not located in the block.

An interaction matrix is prepared for these banks, depicting who coordinates with whom, and the location of the other branch is also given.

## Interaction Matrix

Banks	A	B	C	D	E	F	G	H	I	J	K	L	M	Total No. of Intra- ction	Number of locations
A	*	2	2	3	1	4	1	2	2	-	-	-	-	8	4
B	1	*	2	3	-	-	-	2	2	3	3	-	-	7	3
C	1	2	*	-	-	4	-	2	2	-	-	4	4	7	3
D	1	2	-	*	1	4	1	-	-	3	3	-	-	7	3
E	1	-	-	3	*	4	1	-	-	-	-	-	-	4	3
F	1	-	2	3	1	*	1	-	-	-	-	4	4	7	3
G	1	-	-	3	1	4	*	-	-	-	-	-	-	4	3
H	1	2	2	-	-	-	-	-	2	-	-	-	-	4	2
I	1	2	2	-	-	-	-	2	-	-	-	-	-	4	2
J	-	2	-	3	-	-	-	-	-	-	3	-	-	3	2
K	-	2	-	3	-	-	-	-	-	3	-	-	-	3	2
L	-	-	2	-	-	4	-	-	-	-	-	-	4	3	2
M	-	-	2	-	-	4	-	-	-	-	-	4	-	3	2
Total Number	8	7	7	7	4	7	4	4	4	3	3	3	3	64	

1,2,3,4 refer to location of the bank branch in the block. (Number is the Block number)

It is seen that Branch A had to coordinate with 8 branches situated in 4 blocks, and the Lead Bank at the District Head Quarters, for the work of two blocks.. The other 8 branches in turn had to coordinate with other branches to decide the credit portfolio and amount, before they finalised their plans. Therefore the interaction increases geometrically. The two banks situated in the same block can always communicate easily but to communicate with a bank located in another

block is more difficult. When three bank branches situated in 3 different blocks have to coordinate about reallocation of resources/schemes, it is time-consuming and it means a number of communication channels. It is also seen, that branches L, & M servicing only one block had to interact only with 3 branches, in two locations, whereas A had to interact with 8 branches in four different blocks. When a branch looks after another block also, the considerations with reference to other block also has to be taken into account. Here again, it has to consult another branch situated in next block, and the channels of communication are never ending. The interaction matrix brings to light the number of channels and adjustments which are essential to function optimally. The final information (data) with reference to reallocation or availability of credit is delayed. This upsets the whole system and the beneficiary loses interest in these schemes. Therefore the banking infrastructure should be strengthened by demarcating proper geographical blocks for each branch. If a branch of a bank has to coordinate for two blocks, the same two blocks should be allotted to another bank branch, so that the communication becomes easy. It can also be seen that banks which are situated in a particular block and only looking after that block have less problems. From the interaction matrix it is seen that the work load of banks looking after 2 blocks increases by more than 100 per cent. (nearly 267% increase) The diagram also depicts the situation in a graphical manner and if distances are also taken into account the problem will be enormous. We have made a simple analysis without measuring distances, time taken to travel by bus & train. It is a pity that we do not have proper communication systems between these areas & banks.

Now these banks also have to take into account their own Annual Plan (calendar year) and they do not have the Block Credit Plans to help them to take decisions. Now the five bank branches catering to a block will have five annual plans of their own. Therefore from the targets set in DCP, ad hoc credit allocations are made to the bank branches depending upon the push and pull of the situation.

Therefore it is suggested each major bank operating in the district should designate a district level coordinator for all its branches in the district and the coordinator should sort out the problems with the lead bank. The lead bank officer should be of a higher status, with two field level officials assisting him, one of them specifically for this purpose. Then the effectiveness of the total system can be improved.

To summarise, the following conclusions can be drawn about the factors which have hampered the effective implementation and success of the poverty alleviation programme.

- (1) Most of the branch managers of banks situated in the district/block except the lead bank were not involved in the preparation of the District Credit Plan. These managers were at the receiving end, and they were only interested about the loan allocations for their branch, its effect on their own performance budget provided by their headquarter. In some cases the leadership of the lead bank was not willingly accepted (4.1 to, 4.15)
- (2) The methodologies followed by banks and district level officials for estimating the demand/need for credit were faulty, subjective and crude. In most cases they were not related to other factors affecting the usage of credit, like marketing. (4.14)
- (3) Their involvement was lukewarm, and they tried to get the allocations readjusted with reference to their performance budgets in the D.C.C. meetings. These reallocations ended in a farce, with everybody following their own budgets and finding fault with each other (4.16)
- (4) The monitoring of District Credit Plan became difficult and infructuous. The bankers monitored their own performance budgets. The final implemented D.C.P had little, if any relation to the Schemes or development plans with which it was started. (4.17)
- (5) We found that the financial resources were more than adequate, but they were not properly linked to the demand especially to its three parameters, vi. quantum, timeliness and location. (4.18)
- (6) It was seen that project viability was not the consideration at all for giving IRDP loans. At the field level, estimates and norms were neither prepared scientifically nor evaluated rigorously. The branch manager arbitrarily decided the unit costs for the ISB sector which invariably lead to underfinancing. This resulted in corrupt practices. (4.28) (4.30)
- (7) Inadequacy of branch net work was an important problem. There were unbanked centres in many parts of the blocks and also there were certain blocks without banks. This unevenness in the concentration of branches, led to problems in the distribution of right amount of credit at the right time. Remote areas were not covered. (4.42)( )
- (8) Staffing:- The staff was inadequate in most of the branches in the blocks. They had to handle the increase in the volume of work without additional staff. (4.43,44,46)



- (9) The absence of adequate discretionary powers, with the branch managers led to delay and passing of papers back and forth. There was not adequate delegation for smooth implementation of IRDP from the controlling authority. (4.47)

(10) Attitudinal Factors:-

- (a) Since they do not have a role to play in the preparation of District Credit Plans, the bank-branches at the block level are not committed to it. (4.14)
- (b) There was minimum coordination between the different bankers, as the bankers only respect their own performance plans. (4.41)
- (c) Lack of continuity in the tenure of bank personnel officers especially workers, so as to develop a bond of trust. (4.50)
- (11) It was seen that the loans were expected to be repaid promptly. The banks did not inform the loanees about the current situation of their loans, even when they received repayment instalments. Even though monthly instalments were regularly paid, interest was calculated for the whole quarter. Loan passbooks (Vikas Patrikas) were not issued at all. The beneficiaries were not aware of the details like the quantum of loan, subsidy, interest rate, repayment period, number of instalments. etc. (4.32)
- (12) The branch credit plans are formed by their own regional offices based on the guidelines from headquarters and there are no block Credit Plans. Block Credit Plans should have been prepared to be used as a basis for their loaning programme. The credit allocation in the branch plans did not match the requirements at the block level. There were either less or more than the requirement. (4.15 - 4.19)
- (13) Banks have complained that there is bunching of loan applications in March as the block and district agencies do not spread it throughout the financial year and this places a great strain on the limited bank staff for finalising the loan applications, field visits, etc. (4.48a, & b)
- (14) During our interviews we found, that some bank branches had to look after 2 different blocks, while some had only one block workload. This also led to organizational and interaction problems. (4.49)

## CHAPTER - V

### TECHNICAL SUPPORT FUNCTION

#### INFRASTRUCTURE FACILITIES

One of the objective of integrated rural development programme was to devise ways and means for improving the financial condition of the poorer and the weaker sections of the rural society. In order to achieve this objective, these sections were helped to improve their agriculture productivity and at the same time generate supplementary income from other subsidiary occupations like animal husbandry, poultry. Even with subsidiary occupations, it would not be possible to get adequate returns for their various outputs, in the absence of adequate functional linkages like transport, marketing, veterinary services etc. Thus along with direct help to the weaker and the deprived sections, attention was also paid to develop infrastructural facilities as a part of a strategy of rural development. Successful implementation of rural development programmes, among other things, will to a considerable extent be determined by the availability of Infrastructural facilities such as marketing, warehousing, transportation, irrigation facilities, etc. Needless to stress that things produced if not properly stored or marketed would not fetch adequate return to the producers and thereby discourage producers or the production will be stopped altogether. Therefore, for effective production and for ensuring adequate return to the producers it is essential to have infrastructural facilities which ensure supply of essential inputs for productive purposes and also their marketing for adequate returns. No doubt infrastructural facilities have been provided to help the rural poor, but it is important to find out the views of the bankers about the actual availability of such infrastructural facilities. Their views are critical because they have a greater stake as financiers of various schemes. With this end in view, the bankers were asked to give their views about the availability of various infrastructural facilities such as veterinary services, irrigation, supply of raw materials, marketing and insurance etc. Their assessment of each of these infrastructural facilities is discussed in this chapter.

##### 5.1 Veterinary Hospitals.

One of the major programmes under the IRDP is to provide financial assistance to the beneficiaries to buy milch cattle in order to supplement their income. The bankers said that more than 60% of the

beneficiaries who received cattle have little experience of rearing them. Traditionally cattle rearing in the country side was done by a selected communities or land owning farmers. By having animals over the years they had acquired experience of looking after their cattle. Those who were not traditionally involved in cattle rearing had to be helped and educated so that they could take proper care of their asset. Even those who traditionally rear cattle had to be imparted scientific knowledge about it. Thus the bankers were asked their assessment about the veterinary facilities available in all the three states.

The responses are analysed in Table 5.1

Table 5.1

Veterinary Hospitals			
State	Available and adequate	Available but inadequate	No Facilities
Karnataka	29 (48.4)	20 (33.3)	11 (18.2)
Orissa	32 (55.1)	16 (27.6)	10 (17.3)
West Bengal	28 (57.1)	12 (24.5)	9 (18.3)

It is observed that in the judgment of nearly 50% bankers veterinary services are adequately available; in West Bengal, the number of those who have expressed this opinion is as high as 57 percent. About the same percentage is also found to be in case of Orissa. However comparatively it is much less in case of Karnataka. On the whole, the picture in all the three states is quite positive in so far as the adequate, availability of veterinary facilities are concerned. At any rate one cannot disregard the fact that in all the three states one-fourth or even more respondents have expressed the view that veterinary services though available are inadequate. Comparatively however, Karnataka seem to be trailing in all the three states where about a third of the respondents have mentioned about the inadequacy of veterinary services. This proves the fact that availability does not mean only the physical access to an hospital. The availability of services like immunization, medicines etc. are very crucial. It is also seen that according to 18% of the bankers in all the three states, there

were no facilities. It was seen that these blocks are far in the interior side of the District, and the villages were difficult to reach even during good weather.

5.2 As already pointed out special efforts have been made for agriculture development by creating irrigation facilities and by providing improved variety of seeds, fertilizer, and implements etc. The bankers were asked to give their views about the availability of irrigation facilities improved agriculture implements etc. in their blocks. Their responses on both these aspects are given in table 5.2 and table 5.3 respectively.

Table 5.2

## Irrigation

State	Available and adequate	Available but inadequate	Not Avail- able
Karnataka	15 (25.0)	17 (28.3)	28 (46.7)
Orissa	16 (27.6)	14 (24.1)	28 (48.3)
West Bengal	11 (22.4)	18 (36.7)	20 (40.8)

The table suggests that in respect of adequate availability of irrigation facilities, the condition is not the three states. The variation is just of the order of two to five percent. In this connection it should be noted that about 46 percent of the respondents in Karnataka, 48% in Orissa and 40% in West Bengal have expressed the view that irrigation facilities are not available. This is mainly due to rainfed agriculture in Karnataka and Orissa. In West Bengal also, the usar lands (alkaline) gave problems.

Table 5.3

## Improved agricultural implements

State	Available and adequate	Available but in adequate	Not available
Karnataka	12 (20.0)	7 (11.7)	11 (68.3)
Orissa	11 (24.1)	5 (8.6)	39 (67.3)
West Bengal	18 (36.7)	6 (12.2)	25 (51.0)

5.3 The situation in respect of availability of improved agriculture implements is uneven in all the three states. It is noticed from table 5.3, that maximum number of responses with regard to the adequate availability of agricultural implements have come from West Bengal. The number of such respondents in the case of West Bengal is as high as 37 percent, whereas it is just 20 percent in case of Karnataka. Despite all the development programmes it is seen that inadequate availability and non-availability of agricultural implements will decrease the impact of the programme. The situation seem to be rather alarming in the case of Karnataka and Orissa where about 68.3 percent and 67.3 percent of the respondents have pointed out about the non-availability of improved agriculture implements. Some special steps are necessary to provide them to the beneficiaries. Therefore it is felt that the lack of functional linkages will have adverse effects, and credit alone will not deliver the goods.

5.4 Apart from agriculture and Animal Husbandry, attention is also being paid to promote small business sector in the IRD Programme to help the weaker section to improve their financial position. Given the talent available in the rural areas and the traditional skills for producing a variety of things it becomes essential to provide them with raw materials and marketing facilities for the finished products. The respondents were asked to give their views on both these aspects and the same are presented in tables 5.4 and 5.5 respectively.

## Raw materials:

Table 5.4

## Supply of Raw materials

State	Available and adequate	Inadequacy	Not Available
Karnataka	15 (25.0)	8 (13.3)	37 (61.7)
Orissa	15 (25.9)	17 (29.3)	26 (44.8)
West Bengal	18 (36.7)	8 (16.3)	33 (47.0)

With respect to the availability of raw material the picture is rather dismal. It is however, more so in case of Orissa where 29 percent have judged it to be inadequate. It is striking that in case of Karnataka 61.7 per cent have mentioned the non-availability of raw material and the picture is not very encouraging in West Bengal where about 47 percent have pointed out about the non-availability of raw-material. The bankers are worried about the situation but they cannot do anything. They feel that the State Govt. should take some more initiative in supplying raw materials.

5.5 Various kinds of inputs in the process of production, like motivation and skills of the producers will not result in income generation if adequate marketing facilities are not available for the finished products. Given the remoteness from the market and the smallness of the local market, marketing facilities acquire a great significance for any programme to improve the economic condition of the rural poor.

Table 5.5

Marketing facilities			
State	Available and adequate	Available but in adequate	Not available
Karnataka	19 (31.7)	21 (35.0)	20 (33.33)
Orissa	26 (44.8)	20 (34.5)	12 (20.7)
West Bengal	28 (57.1)	12 (24.5)	9 (18.4)

With regard to the marketing facilities 57% of the respondents in case of West Bengal have mentioned about the adequate availability of the marketing facilities. In Orissa, 44.8% have felt that it is adequate, while others have commented unfavourably. The picture is rather alarming in case of Karnataka as only 31 percent have found marketing facilities to be adequate and 35 percent have found it to be inadequate. Again 33 percent have mentioned about the non-availability of marketing facilities. The variations in responses are due to the location situation of the blocks. In well connected blocks, the facilities are adequate due to increased availability of transport. In other areas they have to depend on other organisations like PACS etc.

5.6 Given the inadequacy of the local market to absorb the surplus production, marketing such products outside the village becomes very difficult and costly. Therefore, arrangements have to be made to store the produce under proper security and conditions, so as to get a better price. Given the inadequacy of accommodation with the poor people, it becomes increasingly difficult for them to properly store any finished product. Moreover they neither have organisational capacity, knowledge and skill either to arrange warehouses for the finished products or to organize transport for the same to a marketing centre. Thus transport and warehousing as infrastructural facility acquire a great significance in the development of the rural areas. The respondents were therefore asked to give their views about the availability of transport and warehousing facilities. Their responses are given in tables 5.6 and 5.7 respectively.

Table 5.6

## Availability of Transport

State	Available and adequate	Available but in- adequate	Not Avail- able
Karnataka	31 (51.7)	12 (20.0)	17 (28.4)
Orissa	29 (50.0)	10 (17.2)	19 (32.8)
West Bengal	25 (51.0)	15 (30.7)	9 (18.3)

## Transport facilities

Apparently it seems that all the three states are more or less on the same footing in respect of adequate availability of transport facilities. 50 percent of the respondents in case of each state have opined about the adequate availability of transport facilities. But the difference becomes vivid with a closer scrutiny. For instance 30 percent of the respondents have pointed out about the inadequacy of transport facilities in case of West Bengal, but comparative figures in Orissa and Karnataka are 17 percent and 20 percent respectively. Comparing this data to table 5.5, it is seen that marketing and transport facilities, are not enough even though they are crucial factors in determining the additional income. Thus even with half of the respondents vouching for availability of adequate transport facilities in all the three states, we have other 50% of the blocks covered with in adequate or no facility. It is not very difficult to imagine their fate. Even within the same block some areas do not have facilities, and the beneficiaries find it difficult to cope up.



## 5.7 WAREHOUSING FACILITIES

Table 5.7

## Warehousing Facilities

State	Available and adequate	Available but in- adequate	Not Avail- able
Karnataka	16 (26.7)	6 (10.0)	38 (63.3)
Orissa	8 (13.8)	14 (24.1)	36 (62.1)
West Bengal	7 (14.3)	5 (10.2)	37 (75.4)

It is apparent from the table 5.7 that warehousing facilities are sadly lacking in all the three states with a minor variation here and there. More than 60% of respondents in all the States have said that warehousing facilities are not enough. It is also seen that in some blocks it is available but inadequate. The beneficiaries are neither able to reach the market immediately nor store their products safely. Therefore, they sell to middlemen at lower prices.

5.8 Insurance is a basic facility to cover against risks and natural calamities. As mentioned earlier a sizeable section of those who have no traditional experience or expertise have taken to different productive activities under the IRD Programme. In case of a failure, due to fire, crop damage, death of animals etc., the beneficiary may be hit hard and it may become difficult, nay impossible for him to recover from such an economic set back. Therefore, insurance acquires significant place in the IRDP Programme. But, with reference to the IRDP beneficiaries, all the bankers said that there is no coverage for any activity except dairying and poultry.

Table 5.8

## Insurance Facilities

State	Available and adequate	Available but in adequate	Not available
Karnataka	40 (66.7)	3 (5.0)	17 (28.3)
Orissa	31 (53.4)	3 (5.2)	24 (41.4)
West Bengal	40 (81.6)	1 (2.0)	8 (16.3)

Even here, with regard to adequacy of availability of insurance facilities, (Table 5.8) the problems in settling dues have cropped. The claims are not settled in time. About 41% Orissa, 16.3% in West Bengal and 28.3 have said the facilities are not available. This is because the bank officers have understood the problems of beneficiaries.

## 5.9 BANKING

Table 5.9

## Bank Facilities

State	Available and adequate	Available but in adequate	very poor
Karnataka	32 (53.3)	11 (18.3)	17 (28.4)
Orissa	28 (48.3)	7 (12.1)	23 (39.6)
West Bengal	37 (75.5)	4 (8.2)	8 (16.3)

Banking facilities in the rural areas are rather a recent phenomenon and, as such, its availability should be seen against that background. If seen with that perspective, it appears there is a significant development on this front. However, the bankers felt that

except for certain clusters they are very far to reach . The beneficiaries are themselves not interested in banking operations. Most of the bankers felt that the villagers do not come to the bank for any other transaction except to get loans under some scheme or other. They do not know A,B,C of banking. The availability and adequacy cannot be measured since most of them do not come to banks for other banking operations.

5.10 The Tables 5.10(a), (b) and (c) give the total picture of infrastructure facilities in all the three states.

Table 5.10.a

Availability of Infra-structural facilities in the block (KARNATAKA)

Infrastructural facilities	Available & adequate		Inadequate		Not Available	
Veterinary Hospitals	29	48.3	20	33.3	11	18.2
Markets/wholesale	19	31.7	21	35.0	20	31.2
Irrigation facilities	15	25.0	17	28.3	28	46.7
Raw Materials	15	25.0	8	13.3	37	61.7
Transport	31	51.7	12	20.1	17	28.4
Insurance Facilities	40	66.6	3	5.1	17	28.4
Bank facilities	33	55.1	11	18.3	17	28.4
Ware Housing/storage facilities	16	26.7	6	10.0	38	63.3
Improved agricultural implements	12	20.1	7	11.1	41	68.3

Table 5.10.b

## Availability of Infrastructural facilities (Orissa)

	More than Adequate	In Adequate	Not avail- able
1. Veterinary hospitals	32 (55.1)	16 (27.6)	10 (17.3)
2. Markets	26 (44.8)	20 (34.5)	12 (20.7)
3. Irrigation	16 (27.6)	14 (24.1)	28 (48.3)
4. Raw materials	15 (25.9)	18 (31.0)	25 (43.1)
5. Transport	29 (50.0)	10 (17.2)	19 (32.8)
6. Insurance	31 (53.4)	3 (5.2)	24 (41.4)
7. Bank facilities	28 (48.3)	7 (12.1)	23 (39.6)
8. Warehousing facilities	8 (13.8)	14 (24.1)	36 (62.1)
9. Improved agriculture	14 (24.1)	5 (8.6)	48 (67.2)

## INFRASTRUCTURAL FACILITIES

Table 5.10.C.

Showing Availability of Infra-structural facilities (WEST BENGAL)

Infrastructural facilities	Adequate		Inadequate		Not Available	
Veterinary Hospitals	28	(57.1)	12	(24.5)	9	(18.3)
Markets/wholesale	28	(57.1)	12	(24.5)	9	(18.3)
Irrigation facilities	11	(22.4)	18	(36.7)	20	(40.8)
Raw Materials	18	(36.7)	8	(16.3)	33	(47.0)
Transport	25	(51.0)	15	(30.6)	9	(18.3)
Insurance Facilities	40	(81.6)	1	(2.0)	8	(16.3)
Bank facilities	37	(75.5)	1	(8.2)	8	(16.3)
Ware Housing/storage facilities	7	(14.3)	5	(10.2)	37	(75.4)
Improved agricultural implements	18	(36.7)	6	(12.2)	25	(51.0)

5.11 When essential facilities are not available, the most logical question to be asked is who should develop these facilities. In other words which of the various agencies engaged in rural development should take the initiative or major responsibility for developing infra-structural facilities required for development. This also brings out the fact how they view their problems. The responses of the respondents are given in the table 5.11

Table 5.11

Showing the opinion of the Bankers about the agency  
to develop the supportive linkages

Name of the agency	Karnataka	Orissa	West Bengal	Total
Central Government	1 (1.6)	1 (1.7)	-	2
District authorities or DRDA	6 (10.0)	5 (8.6)	5 (10.2)	16
BDO Office	5 (8.3)	2 (3.4)	4 (5.2)	11
State Government	4 (6.7)	6 (10.3)	7 (14.3)	17
Concerned Sectoral department	3 (5.0)	1 (1.7)	7 (14.3)	11
Ambiguous	41 (68.3)	43 (74.1)	26 (53)	110 (66.0)
	60	58	49	167

It is most striking to see from the table that majority of the respondents in Karnataka Orissa and West Bengal gave ambiguous responses to this question. In other words most of these respondents just said the government should do it' without specifying either the level or the specific government. It is really startling that bankers engaged in development programme do not have understanding of the levels of the government which can provide infrastructural facilities.

It must be noted that out of those who have concrete suggestion on the level of government which should provide infrastructural facilities either opined that the district or the state government. About 65% percent were ambiguous in their answer, they just mentioned 'Government'. Only 10 percent have expected the district authorities to develop these linkages, while about another 10% expected the State Govt. to develop the same.

5.12 However the fact remains that development programmes have been launched without due regard to the development of infrastructural

facilities. The logical question that arises is why development plans have been launched in the absence of infrastructural facilities. The answers to this question are given in the table 5.11.

Table 5.12

Showing reasons for the advancement of loans without developing infrastructural facilities

Reasons for the advancement of loans	Karnataka	Orissa	West Bengal
1. To achieve targets	27 (45.0)	12 (20.0)	8 (16.3)
2. Directions from the regional office	-	2 (3.4)	2 (4.1)
3. For the development of rural area	4 (6.7)	6 (10.3)	2 (4.1)
4. No loan is given without supportive facilities	1 (1.6)	1 (1.7)	2 (4.1)
5. DRDA had assured the development of linkages	1 (1.6)	-	4 (8.2)
6. Pressure from various agencies	27 (45.0)	37 (63.7)	13 (63.2)

It is observed that like other development programmes the compulsion for launching this programme also has emanated from the desire to achieve set targets. For instance, in the case of Karnataka 45 percent of the respondents attributed the reason for launching the programme to the need for achievement of the target. Likewise in the case of Orissa and West Bengal one fifth and one third of the respondents respectively mentioned the same reason. This should not surprise anyone because such a compulsion is built in the logic of the central planning.

It may also be pointed out that the majority of respondents in all the three states of Karnataka, Orissa and West Bengal have felt that there are various pressures which act. It may also be noted that the main objective of the programme which is "the development of the rural

area" has received lowest priority as consideration for the advancement of loan to the beneficiaries. The table indicates that only 6.7 percent in Karnataka, 10.3 percent in Orissa, and 4.1 percent in West Bengal have mentioned this as the reason for the advancement of loan to the beneficiaries.

### 5.13 RURAL BASED INDUSTRIES

There was considerable variation in socio-economic, agro-climatic and resource availability conditions of rural areas of the 6 districts covered under the study. The same is true of the nature and extent of industrial activities practiced at present in these areas. However, these activities broadly covered the following fields of technology:

- (a) Artisan technologies - pottery, carpentry, basket making, bamboo work, honey blacksmithy, etc., (with a vast variation in the scale of output and degree of product quality);
- (b) Production technologies adopted for items of local consumption - oil extraction, bell metal industry, rice, hulling, jaggery making, brick making, weaving, tailoring etc.,
- (c) Processing technologies for production of inputs for industries - cotton/wool/silk/coir, agro/food and forest based products, leather and hides, etc.; and
- (d) Technologies for processing perishables for supply to cities and towns - fish, meat, poultry, milk products, animals, fruits and vegetables.

These rural based industries were generally of household/cottage scale. Except a few, most of these industries did not have the potential to generate additional employment and the returns were very low. There was little appreciation of new product selection, diversification or application of Science and Technology for improving productivity, quality and standard in this sector. On account of the predominantly rural character and traditionally isolated and dispersed nature, these rural industries had until recently, little support from modern Science and Technology infrastructure.

With reference to the Schemes for the rural industries group (ISB sector) the following factors emerged from the responses of the beneficiaries and officials.

1. All the agencies involved in different aspects of rural industrialization (like SFC, KVAFSU, SIDO etc.) did not



reorganize & reorient their activities to make them more purposive with reference to IRD programme and there was no guidance from these institutes. At the delivery point, there was always a lack of convergence of all efforts, due to inadequate coordination and cooperation between various agencies involved. The beneficiaries had to meet many officials and this decreased their motivation.

2. Even though more efficient technologies, product development and diversification are called for there has been no initiative. For e.g. fresh water fishing in Ganjam district has suffered a lot due to old Technology. The rural artisans were producing traditional articles using traditional techniques, tools and equipments. There was no arrangement either for upgradation or improvement of technology.
3. The need for smooth flow of working capital credit was not understood as the IRDP loan is only for fixed capital. The bankers did not advance working capital loans. Due to the absence of this assistance, the IRDP beneficiaries could not generate income from assets provided under IRD programme.
4. Rural industries did not change its focus and go in for new products. They should have started with intermediate products, and left some traditional industries, so that they are able to capture better markets. The idea of integrating rural industries sector with medium sector industries through a common production programme and removing regional imbalances had not been given sufficient attention. Proper linkages had not been established.
5. The rural artisans had no idea of market mechanism. They could not organize production and marketing on their own and this led the middle-men to thrive. Institutional arrangements for organising production and distribution have failed to substitute the middle-men. Promotional organisations did not make an effort to go and meet the rural artisans.
6. Consumption credit was not available to IRDP beneficiaries. Therefore, they came into the grip of money lenders and this defeated the purpose.
7. The finished products lacked the quality standards like finish, durability etc. This could have been avoided through training, supply of improved tools and facilities for

standards testing. There was also fierce competition from big industries for mass produced items like garments, soap, safety matches etc. .

8. The rural industries could not adhere to strict production and delivery schedule and they lost their clients. The weavers from Nadia district, Kishanganh block could not send their products in time to Calcutta the festival season, due to non-availability of yarn etc, and proper market back-up. The middle-men came once in a week to the village/block, to collect goods and they refused to come again if the goods were not ready. The beneficiaries did not have any cooperative marketing society.
9. Availability of subsidies & loans without the necessary back-up infrastructure led to leakages of funds. For example, in one of the districts money was given for sewing machines. But the beneficiaries, were not trained properly in sewing. Even though under the TRYSEM training was to be given, many beneficiaries did not undergo training due to the long distance between the training centres and the location of their villages. Even though a market can be established for their products (readymade dresses) in the near by villages, they could not produce them. In the end , few beneficiaries sold their machines.
10. There were no effective storage facilities for certain type of products like fisheries, milk, butter, pickles, etc. This led to loss of income, especially when the output has a short shelf-life. The beneficiaries could not travel 10-15 km daily and it was also very difficult due to transport problems.
11. There were fluctuations in the availability and prices of raw material. Supply of inputs at standard prices were assumed and the prices were not monitored.
12. The rural artisans were not able to hold their finished products since they did not have enough credit for the same. The DCP did do not envisage this aspect of credit. The district and block level authorities did not help the beneficiaries by providing the specific credit linkages through guarantees etc.
13. While giving IRDP loans, a group approach was not adopted for ensuring viability through enlargement of the base. It is necessary that the beneficiaries of the IRDP are organised

around viable economic activities linked to each other and to institutions. These linkages should be strengthened through technical, administrative and financial support systems. Access to forward and backward linkages, technology, credit, markets etc., should not only be assured by these three support systems but also monitored for timeliness and effectiveness. There must be a shift from beneficiary-orientation alone to creation of growth-centres under the scheme.

14. It was seen that beneficiaries who were not interested in the rural industries were also given these programmes and subsidies were distributed in order to achieve targets. There was no real production or asset formation.
15. The branch managers were arbitrarily deciding the unit costs for ISB sector which invariably led to underfinancing of IRDP beneficiaries. Location-specific and scheme-specific unit costs should be developed by the District offices in consultation with the State Government, Nabard etc. A separate section should be studying this aspect and updating the unit costs with reference to price level changes, and other market parameters.
16. Branch Managers did not observe the norms for repayment period and gave IRDP beneficiaries much shorter repayment period. They expected the repayment to start from the very next month. There was not enough grace period for gestation.
17. Pilot projects should be implemented by DIC to demonstrate the total viability and mere advising is not enough. This will not only help the beneficiaries but also the officials bankers to understand the practical problems in carrying out the work and generating income.
18. DIC should collect information on the resources and skills available and the type of industry existing in the area. This data can be used to decide on the type of IRDP schemes feasible and advisable to be implemented in the specific area.
19. The non-farm activities introduced through various schemes did not attract the young rural population especially the educated ones, as these could not provide sustained and full employment with attractive economic returns. The Khadi and Village Industries Commission (KVIC), the custodian of Khadi and Village sector, was concerned with only a small part of the

total artisan class and others engaged in traditional village industries. It advocated mostly relief/survival technologies and had very limited impact on rural households and the per capita earnings. The reasons are not far to seek; the KVIC lacks science and technology support and was not equipped to provide any model of fuller employment.

20. Creation of appropriate opportunities and assets for additional remunerative work and promotion of full employment in rural areas was a challenging task. There was need for gradual upgradation of traditional economic activities and their homogeneous blending with modern techniques, tools, technologies and trades. All these needed application of Science and Technology (S & T). Here it is necessary to judge the role of CART in spreading rural technology. The objective of CART is to save time and remove drudgery in the production process. It was seen in all the six districts, (60 blocks) studied that CART has not reached them. None of the BDOs, and beneficiaries had any interaction with CART. This is a sad state of affair.

In the existing set up, the available technology was not fully utilized; productivity was quite low and much of the value added was siphoned off by exploitive middle-men. It is suggested that modernization of techniques, should be introduced to improve the skills and make the worker capable of enhancing his productivity and his earning. He should be able to come out of the clutches of poverty within reasonable time. At the district level there is no organisation to examine and evaluate the practices in rural and tiny industries. We should have an organisation to develop appropriate technologies to suit the location-specific rural conditions. The DIC is not equipped for this at present. The DIC/DRDA should be strengthened adequately to provide for this linkage at present.

## CHAPTER - VI

### BENEFICIARIES AND THE LINKAGES

6.1 During our field survey we met a number of beneficiaries who have got assistance through IRDP. Our main aim in meeting the beneficiaries is to find out the problems they are facing with reference to implementation of the scheme. The main objective is to find out the extent to which the lack of linkages created problems and how to overcome them. The actual benefits due to the availability of linkages are also discussed. It may be noted here, most of the beneficiaries did not cross the poverty line. The problems which were severe are being discussed so that the realistic situation is brought out. We have mainly questioned them about the problems they faced in selecting the scheme, (Problem-1) in acquiring the assets. (Problem-2) in maintaining the assets (Problem-3) and fourthly, the problems due to lack of proper support facilities (Problem-4). Totally, from all the six districts, we interviewed 203 beneficiaries, 41 from the Agriculture and allied activities, 60 from ISB Sector and 32 were rural artisans. Only one belonged to sericulture (Table 6.1). This shows the popularity of allied activities and ISB Sector in the IRDP Schemes.

TABLE 6.1 VARIOUS SCHEMES UNDER IRDP - DISTRICT WISE DATA OF  
BENEFICIARIES INTERVIEWED

Name of the Activity	Name of Districts						Total
	Mysore	Tumkur	Puri	Ganjam	Darjeeling	Nadia	
Agriculture & Allied	4	8	14	8	1	6	41
Animal Husbandry	8	20	10	8	11	3	60
Fisheries	-	2	3	1	-	2	6
ISB	5	13	12	10	6	17	63
Rural Artisans	-	5	5	6	2	14	32
Sericulture	-	-	-	-	-	1	1
<b>Total</b>	<b>17</b>	<b>46</b>	<b>44</b>	<b>33</b>	<b>20</b>	<b>43</b>	<b>203</b>

6.2 In agriculture schemes, though the beneficiaries did not find any difficulty in selecting the schemes or acquiring the assets they were finding it very difficult to maintain the assets and repay the loans (Table 6.2). It is seen all the beneficiaries who had marginal land selected the scheme and got the loan. But the problem was in actually generating the income. For e.g. in Tumkur we had a beneficiary with a pumpset whose well had dried up. Therefore, he was not able to pay back the loan. There was no help from the officials with reference to his problem. In another case in Puri district the pumpset got heated up very quickly, and there was no help again. In another case, the quality of the machine was very poor and it had so many defects. He had to be always after mechanics, and the manufacturer did not replace his asset. In this case also the officials did not worry about the asset. The problem of maintaining the asset affected 20 per cent of the beneficiaries and lack of support facilities affected 5 per cent of the cases. Totally 25 per cent of this group had problems. The other 75% were able to do better due to the support of other subsidiary occupations.

In the Animal husbandry sector, the main problems with milch animals are the dry period and the death of the animal. In these cases

TABLE 6.2 BENEFICIARY PROBLEMS AND SCHEMES

Total Interviewed	Problem 1	Problem 2	Problem 3	Problem 4	Total Problems	Total Cases Studied
Agriculture & Allied	-	-	8 (20%)	2 (5%)	10 (25%)	41 (100%)
Animal Husbandry	-	14 (22%)	11 (18.33%)	16 (26.6%)	41 (66.6%)	60 (100%)
Fisheries	-	-	-	1 (16.6)	1 (16.6)	6 (100%)
ISB	-	6 (10%)	7 (11%)	7 (11%)	20 (32%)	63 (100)
Rural Artisans	-	-	2 (6.5%)	9 (28%)	11 (34.5)	32 (100%)
Sericulture (same case has two problems)	-	-	1 (100%)	1 (100%)	2 (200%)	1
	-	20	29	36	85	203
		10%	14%	18%	42%	(100%)

the block office also did not give any help. It was very difficult for the beneficiary to repay the loan.

In Puri district neither the banks nor the insurance companies were helpful in these situations.

The basic problem also was of getting good milch animals (Problem 2-22%). One beneficiary was complaining about the late release of the subsidy by DRDA. In Tumkur the beneficiaries were complaining about the lack of fodder due to drought and there was no linkage with the supply of fodder (Problem 3 - 18.33%). He had to pay interest on the subsidy part as it was treated as loan and this was wrong. In Tumkur district the beneficiaries of the bullock cart scheme had a different problem. They were unable to get licenses for bullock-cart from municipality for a long time. This increased the gap period between income generation and asset acquisition. The administrative support system was not available with reference to this factor. The veterinary facilities and roads were very poor. Especially during the rainy season, when the roads were full of water and the hospitals were far, it was very difficult to get veterinary services. Thirdly, most of the cooperative Credit Societies did not help them in marketing milk. The Societies were captured by the rich-rural farmers who paid less to poor farmers. The milk price was neither linked to market price nor to cost of production, fodder, transport etc (problem 4- 26.6%). The village pradhans and chiefs thought that they had a right to the milk sold by the beneficiary, as they were the ones who gave them the asset by selecting them. Totally 41 beneficiaries out of 60, that is nearly 66.66 per cent had some problem or the other due to ineffective linkages and the problems were highest in this sector. The other 33.3% were able to maintain their assets somehow. This does not mean that they generated an income which brought them above the poverty line. In the fisheries sector only one beneficiary had the problem of transportation and marketing (16.6%) out of 6 beneficiaries. He was able to sell it within 3 kms. distance.

In the ISB Sector the problems faced by the beneficiaries are varied and complex than any other sector. Small shops had to suffer due to lack of proper transport to get their goods from whole-sale markets. They also complained that the amount of loan was not enough to set up a grocery or pan shop, due to inflation. The loan amount was not determined on the basis of requirement. They were adhoc amounts. They did not get any loan for working capital purposes. The rural artisans did not have proper markets to sell their goods, and they could not hold their goods for a long period to get a proper price. The amount of loan given to them was also not sufficient enough to give them an upper hand in bargaining. They had to sell at a loss in most cases.

In many cases especially in the ISB Sector, the beneficiaries had to visit the banks 3 or 4 times to get their loans sanctioned. It was easier to get loans for milch animals as the banker paid the loan amount directly to the seller. In these cases, the beneficiaries walked home



with the milch animals in a matter of hours. The bankers did not demand any surity or security with reference to milch animals, since they got the insurance policies immediately with paid premiums against the same. It may be noted that the premium was also subsidised. With reference to ISB sector there was no such insurance. Therefore bankers demanded security/ collateral even though the RBI had issued guidelines against such requirements. The bankers resorted to such tactics like delay in the disposal of loan application, under-financing fixing short repayment periods etc., which made the project non-Viable. Such behaviour caused a lot of hardship to the beneficiaries. Out of 63 cases 6(10%) (Table 6.2) were not able to acquire proper assets/clearance in time 11 per cent were finding it difficult to maintain the assets and another per cent did not have proper support linkages like roads mechanics etc. Totally 32 per cent of the beneficiaries suffered. Among the rural artisans two beneficiaries faced problems of maintaining their assets and 28 per cent (9 beneficiaries) suffered from inadequate supporting facilities. The only case of sericulture suffered both from inadequate marketing facility and maintaining of assets.

One of the main reasons for the failure was that the beneficiaries were neither properly trained nor educated about their schemes. Nobody took interest in them; all the three support functions ignored them with respect to this aspect. Everybody felt that their duty ended with the distribution of loans and were not bothered about the problems faced during maintenance and usage of the asset. The bankers pestered them only for repayment. Even they met them very rarely except in the case of one village in Tumkur district, where one bank branch had adopted the whole village as a model under IRDP. There was no communication worthwhile between the beneficiaries and the bank. The letters were routine, stereotyped demand notices for repayment of loan installment and interest. They were not even written in the regional language; they were either in English or Hindi. Many a time, the beneficiary had to run round the village to get it deciphered.

On the other hand the bankers were complaining about the loan being misutilised by the beneficiaries. According to majority of bankers only a few beneficiaries were really in a very bad condition, due to non-functioning of the assets and other problems. According to them, majority of beneficiaries were wilful defaulters. The beneficiaries complained that since nobody is helping them out with the various problems, the only way out was to sell the asset. The irregularity in monitoring made the beneficiaries bold enough to consume the income from the sale of assets.

The accusation of the bankers may be true to some extent with reference to milch cattle and allied agricultural activities. But with reference to the schemes of the ISB sector, the grievances of the beneficiaries were found to be genuine. They really needed better training, education and guidance. Here the treatment meted out to them was very shabby. The beneficiaries should be encouraged if we want to achieve our plan goals.



Totally, we interviewed 203 beneficiaries from different states and found nearly 42 per cent cases had some problem or the other. Out of the four main problems studied, (table- 6.2) it was seen that there was no problem in selecting the scheme. The scheme is undertaken without any hinderance, but the problems cropped up later. 20 cases (10%) of the beneficiaries interviewed) had problems with reference to acquiring assets, even though the scheme had been selected and loan money has been sanctioned. This was due to non availability of proper assets at the right time in the right place. Sometimes beneficiaries had to undergo difficulties in acquiring assets. Sometimes due to under financing the beneficiaries to undergo difficulties in buying assets. Some of them had to borrow some more money from moneylenders. 14 per cent of the problems were due to difficulties in maintaining assets. Problems regarding infrastructural facilities count up to 36 cases which is 18 per cent of the total problems.

TABLE 6.3 DISTRICT WISE DATA OF BENEFICIARY PROBLEMS

DISTRICTS	Problems 1	Problems 2	Problems 3	Problems 4	Total	Total interview
Tumkur	-	8(17%)	11(23%)	7(15.6%)	26(56%)	46
Mysore	-	-	6(35%)	2(11.2)	8(44%)	17
Puri	-	3(6.8%)	4(9%)	3(6.8)	10(22.6%)	44
Ganjam	-	3(9%)	4(12%)	4(12%)	11(33%)	33
Darjeeling	-	4(20%)	2(10%)	6(30%)	12(60%)	20
Nadia	-	2(4%)	2(4%)	14(32%)	18(41%)	43
Total	-	20	29	36	85	203
		10%	14%	18%	42%	

6.3 Analysing the data with reference to different districts (Table 6.3) covered under the study it was seen 56 per cent of the cases belonging to Tumkur district had problems, while it was 44 per cent, 22.6 per cent, 33 per cent, 60 per cent and 41 per cent in Mysore, Puri, Ganjam, Darjeeling and Nadia respectively. Darjeeling had the highest degree of total problems (60% of cases), and it had 20 per cent of its problems with reference to acquiring the assets (highest in Problem 2), TUMKUR had 23% of its problems with reference to maintaining of assets, but Mysore topped these problems with 35% of its cases (highest in Problem-3) and Nadia had 32 per cent of its problems due to infrastructural facilities. (highest in problem-4).

#### 6.4 Contingency-table tests:

An analysis to find out whether there is any statistically significant relationship between two variables chi-square tests are used. Chi-square test is used for testing the independence of two or more variables statistically. As a general hypothesis testing procedure, use of the chi-square test always involves comparison of observed sample frequencies in defined data categories with the expected frequencies for these categories based on the assumption that the null hypothesis is true. The sample data are the counts for each category and they are discrete data. The test statistic that concerns the comparison of observed and expected frequencies is distributed as the chi-square probability distribution. Independence implies that knowledge of the category in which an observation is classified with respect to one variable has no effect on the probability of being in one of the several data categories with respect to the other variable. It means, that the knowledge of one variable does not help in predicting the other variable. Since two variables are involved, the observed frequencies are entered in a two way classification table or contingency table with  $r$  number of rows and  $k$  number of columns.

$$\text{Chi-square} = \frac{(F_o - F_e)^2}{F_e}$$

Where degrees of freedom is equal to  $(r-1)(k-1)$ ;

$F_o$  is the observed frequency and  $F_e$  is the expected frequency. The null hypothesis  $H_o$ : The two variables are independent (they are not related)

$H_1$ : The variables are not independent (they are related).

The critical value is the table value. If the test statistic exceeds the critical value, we reject the null hypothesis that the variables are independent and follow a uniform distribution. If the test statistic is less than the critical value we accept the null hypothesis that the variables are in dependent.

(a) An analysis to find out whether there is any dependency relationship between the location (state) and the occurrence of problems was done to the data collected.

Table 6.4. a

State	Problems	No Problems	Total
Karnataka	34	29	63
Orissa	21	56	77
West Bengal	30	33	63
Total	85	118	203

Chi square = 11.37 df = 2  
Critical value =  $\chi^2_{(0.01)} = 9.21$ ;  $\chi^2_{(.05)} = 5.99$

Since the test statistic is greater than the critical value, we reject the null hypothesis that there is no relationship between the location of the IRDP Schemes and problem occurrence. It is seen that 54% of Karnataka beneficiaries have problems, while 27% and 47.6% in Orissa and West Bengal had problems respectively. Therefore, the special problems will have to be tackled separately.

(b) The dependency the relationship between the type of schemes and problem occurrence were analysed and the results are as follows:

Table 6.4 b.

Schemes	Problems	No problems	Total
1. Agriculture & Allied activities	10	31	41
2. Animal husbandry & fisheries	42	24	66
3. I.S.B. Sector	33	63	96
	85	118	203

chi square= 20.225 df=2

critical value  $\chi^2(0.01)=9.21$ ;  $\chi^2(0.05)=5.99$

It is seen that the chi-square test statistic is greater than the critical value. The null hypothesis that there is no relationship between the type of IRDP Schemes and problem occurrence is rejected. It is seen while in the Agricultural Sector there are problems in 25% of cases, in the animal husbandry sector there are 63.63% of cases have problems, and in the ISB Sector 34.3% of cases have problems. Therefore attention will have to be paid to the animal husbandry sector and ISB Sector.

(b) The dependency relationship between problem occurrence and the type of banks giving loans were analysed and the results are as follows.

Table 6.4-c

Banks	Problems	No Problems	Total
1. Big banks	62	90	152
2. Regional rural banks	12	18	30
3. Cooperatives	11	10	21
	85	118	203

Chi Square = 1.07; df=2

Critical value =  $\chi^2(0.01)=9.21$ ;  $\chi^2(0.05)=5.99$

It is seen from the above table that there is no dependency relationship and we accept the null hypothesis that the variables follow an uniform distribution.

6.5. Further detailed analysis for each district in the states, gave the following results.

Table 6.5 a

District	Problems	No Problems	Total
TUMKUR	26	20	46
Mysore	8	9	17
	34	29	63

Chi Square = .4441      df=1

Table 6.5 b

District	Problems	No Problems	Total
Puri	10	34	44
Ganjam	11	22	33
	21	56	77

Chi Square = 1.07      df=1

Table 6.5 c

District	Problems	No Problems	Total
Darjeeling	12	8	20
Nadia	18	25	43
	30	33	63

Chi square = 1.806 df=1

It is seen that the Calculated chi-square value in all the three states are less than the critical value, bringing out the fact that there is no specific relationship between occurring of problem and the location (the district area) in which the IRDP Schemes are implemented. We accept the null hypothesis that the two variables location and problem occurrence are independent.

6.6 Detailed analysis for each state with reference to the type of schemes and problem occurrence brought out the following results-

Table 6.6 (Karnataka)

	Problems	No Problems	Total
Agriculture & Allied	5	7	12
Animal husbandry	23(82%)	5	28
I.S.B.Sector	6(67.6)	17	23
Total	34(53.9)	29	63(100)

Chi Square = 16.57 df=2 $\alpha(0.01)=9.21$  $\alpha(0.05)=5.99$ 

## 6.6 b(ORISSA)

	Problems	No Problems	Total
Agriculture & Allied	4(18%)	18	22
Animal husbandry & fisheries	11(50%) (52.4)	11	22
ISB Sector	6(18%)	27	33
Total	21(27%)	56	77

Chi Square = 7.963

df=2  $\alpha(0.01)=9.21$  $\alpha(0.05)=5.99$ 6.6 c West Bengal

	Problems	No Problems	Total
Agriculture & Allied	1	6	7
Animal husbandry & fisheries	8	8	16
ISB Sector	21	19	40
Total	30	33	63

Chi Square = 3.53 df=2

 $\alpha(0.01)=9.21$  $\alpha(0.05)=5.99$

It is seen that in Karnataka, the Chi Square value is high, and we have to reject the null hypothesis that problems and schemes are independent. We find that 67.6% of the total problems were concentrated in the animal husbandry sector, covering 82% of the beneficiaries under this scheme. This relates to 36.5% of the beneficiaries interviewed in Karnataka, out of whom 53.9% had problems.

In Orissa, the problems are serious enough. For 95% level of confidence the null hypothesis is rejected. The problems in animal husbandry sector are very high with 50% of the beneficiaries facing problems. These problems contribute to 52 - 4% of the total problems. In the other two sectors only 18% of the beneficiaries faced problems.

In West Bengal, the null hypothesis is accepted since the calculated value is less than the critical value. The problems have no specific relationship to the type of scheme, and their occurrence in this state is independent of the other parameter.

It was necessary to find out whether there is a relationship between the different kinds of problems (a particular type) and the location of the same. A chi-square test to prove that the problems are independent of the State in which it had occurred was conducted on the data. Districts were not taken as a unit in this statistical test, only States are used as units. (Table 6.7)

H<sub>0</sub>: The type of problem is independent of the location of schemes

TABLE 6.7

## STATE-WISE PROBLEM ANALYSIS

	P <sub>2</sub>	P <sub>3</sub>	P <sub>4</sub>	Total
Karnataka	8	17	9	34
Orissa	6	8	7	21
West Bengal	6	4	20	30
	20	29	36	85

Chi-square calculated Value = 13.393

degrees of freedom = 4

chi-square critical value $\alpha$ (.995) = 14.86



The calculated value is less than the statistical table value, which means that the hypothesis of dependency is rejected. Therefore it is seen that there is no dependency between the two factors. All types of problems occur equally in all states.

6.8 The type of different problems of beneficiaries were also analysed with reference to different schemes and location in order to study the dependency relationship between the schemes location, and the types of problems. The tables 6.8(a) to 6.8(f) give the data with reference to each district covered under the study. It is seen that 18 cases (69%) out of the 26 problem cases belonged to animal husbandry schemes. In Mysore also 62.5 per cent cases of problem were due to animal husbandry schemes. In Puri district 50 per cent of the problems were due to animal husbandry and 40 per cent were due to agriculture and allied activities. In Ganjam 45.5 per cent of problems were due to agricultural and allied activities and another 45.45 per cent of the problems were due to ISB Sector. In Nadia, 33.33 per cent of the problems were faced by the ISB sector and 50 per cent of problems were related to rural artisans. In Darjeeling 50 per cent of the problems were related to animal husbandry and 42.1 per cent were related to I.S.B. Sector.

TABLE 6.8 (a) DISTRICT TUMKUR PROBLEMS OF BENEFICIARIES

S.No.	Scheme	No of Cases Inter-viewed	Selecting the scheme	Acquiring the resources and assets	maintaining the asset and utilization	Problems regarding support facilities	Total Problems
1.	Agriculture & allied	8	-	-	4	-	4
2.	Animal husbandry	20	-	8	4	6	18 (69%)
3.	I.S.B.	13	-	-	1	1	2
4.	Rural Artisan	5	-	-	2	-	2
Total		46	-	8	11	7	26 (100%)

TABLE 6.8(b) DISTRICT MYSORE PROBLEMS OF BENEFICIARIES

S.No.	Scheme	No of Cases Inter-viewed	Selecting the scheme	Acquiring the resources and assets	maintaining the asset and utilization	Problems regarding support facilities	Total
1.	Agriculture & allied	4	-	-	1	-	1
2.	Animal husbandry	8	-	-	3	2	5 (62.5%)
3.	I.S.B.	5	-	-	2	-	2
Total		17	-	-	6	2	8

TABLE 6.8 (c) DISTRICT PURI PROBLEMS OF BENEFICIARIES

S.No.	Scheme	No of Cases Inter-viewed	Selecting the scheme	Acquiring the resources and assets	maintaining the asset and utilization	Problems regarding support facilities	Total Problems
1.	Agriculture & allied	14	-	-	3	1	4 (40%)
2.	Animal husbandry	10	-	3	1	1	5 (50%)
3.	Fisheries	3	-	-	-	-	-
4.	I.S.B.	12	-	-	-	-	-
5.	Rural Artisans	5	-	-	-	1	1
Total		44	-	3	4	3	10 (100%)



TABLE 6.8 (d) DISTRICT GANJAM PROBLEMS OF BENEFICIARIES

S.No.	Scheme	No of Cases Inter-viewed	Selecting the scheme	Acquiring the resources and assets	maintaining the asset and utilization	Problems regarding support facilities	Total Problems
1.	Agriculture & allied	8	-	-	-	-	-
2.	Animal husbandry	8	-	2	2	1	5 (45.45)
3.	Fisheries	1	-	-	-	1	1
4.	I.S.B.	10	-	1	2	2	5 (45.45)
5.	Rural Artisans	6	-	-	-	-	-
Total		33	-	3	4	4	11

TABLE 6.8 (e) DISTRICT DARJEELING PROBLEMS OF BENEFICIARIES

S.No.	Scheme	No of Cases Inter-viewed	Selecting the scheme	Acquiring the resources and assets	maintaining the asset and utilization	Problems regarding support facilities	Total Problems
1.	Agriculture	1	-	-	-	-	-
2.	Animal husbandry	11	-	1	1	1	6 (50%)
3.	I.S.B.	6	-	3	1	1	5 (42%)
4.	Rural Artisans	2	-	-	-	1	1
Total		20	-	4	2	6	12 (100%)

TABLE 6.8 (f) DISTRICT NADIA PROBLEMS OF BENEFICIARIES

S.No.	Scheme	No of Cases Inter- viewed	Selecting the scheme	Acquiring the resour- ces and assets	maintaining the asset and utili- cation	Problems regarding support facilities	Total Prob- lems
1.	Agriculture	6	-	-	-	1	1
2.	Animal husbandry	3	-	-	-	2	2
3.	Fisheries	2	-	-	-	-	-
4.	I.S.B.	17	-	2	1	3	6 (33.33%)
5.	Rural Artisans	14	-	-	-	7	7
6.	Sericulture	1	-	-	1	1	2 (50%)
Total		43	-	2	2	11	18

6.9 It was felt that it is necessary to analyse whether it is the agricultural sector or the rural industry sector which had the most problems and whether a particular type of problem is independent of the sector. Clubbing the agricultural sector into one group, and rural industrial sector into another group table 6-9, was developed.

TABLE 6.9

## PROBLEMS AND THE SECTORS

	Pr <sub>2</sub>	Pr <sub>3</sub>	Pr <sub>4</sub>	Total
Agricultural Sector	14	19	19	52
Rural Industry	6	10	17	33
Total	20	29	36	85

Here also a chi square test was conducted.

H<sub>0</sub>: Problem types are independent of the Sector in which it occurs.

Chi Square calculated value = 1.969

Degrees of freedom = 2

critical value  $\chi^2_{(0.05)} = 9.21 \chi^2_{(0.05)} = 5.99$

Since the calculated value is less than the critical value, the null hypothesis is accepted. There is no dependency between these two variables. These problems occur equally in both sectors.

6.10 Another chi-square test was conducted to find out whether a particular scheme had special problems in a particular location

H<sub>0</sub> : The problems of various schemes were independent of location.

TABLE 6.10

	Karnataka	Orissa	West Bengal	Total
Agriculture & allied activities	5	4	1	10
Animal Husbandry & Fisheries	23	11	8	42
ISB Sector & Rural artisans	6	6	21	33
	31	21	20	85

Chi-square (calculated value) = 20.53

Degrees of freedom = 4; critical Value  $\chi^2_{(0.05)} = 14.86$

It is seen that the calculated value is greater than the critical value. The null hypothesis is rejected and we find that there is dependency relationship between the problems of particular schemes and its location in a State. This reinforces the results of the tables 6.4 (a) and 6.4(b). It is seen that the animal husbandry sector had the highest problems in Karnataka (72%) and the I.S.B. Sector faced 70 per cent of the problems in West Bengal. 52 per cent of Orissa's problems were due to animal husbandry. Therefore actions will have to be taken in specific states in these sectors. This also reinforces the result of tables 6.6 (a) to 6.6 (c).

TABLE 6.11 (a) MYSORE/TUMKUR BANK GROUP AND PROBLEMS.

Mysore Tumkur	Pr <sub>2</sub>	Pr <sub>3</sub>	Pr <sub>4</sub>	Total	No. Problem	Total Interviewed
Syndicate Bank	1	7	5	13	1	17
Canvety Gramin Bank	1	3	-	4	5	9
Indian Bank	2	1	-	3	2	5
S.B. of Mysore	3	5	1	9	2	11
Cooperative Society	-	1	1	2	1	3
Vijaya	-	-	-	-	2	2
Canara	1	-	2	3	2	5
I O B	-	-	-	-	3	3
S B I	-	-	-	-	1	4
Karnataka Bank	-	-	-	-	1	4
Total	9	17	9	35	20	63

TABLE 6.11 (b)

	Pr <sub>2</sub>	Pr <sub>3</sub>	Pr <sub>4</sub>	Total	No. problems	Total interviewed
Big banks	7	13	8	28	22	51
P R Bs	1	3	-	4	5	9
Cooperative banks	-	1	1	2	1	3
Total	8	17	9	34	28	63

Chi-square  $\chi^2 = 0.543$ .  
 df = 2;  $\alpha(0.05) = 5.99$ .

TABLE 6.11 (c) PURI/GANJAM

Bank	Pr <sub>2</sub>	Pr <sub>3</sub>	Pr <sub>4</sub>	Total	No problems	Total interviewed
S.R.I.	2	1	-	3	11	17
CCO Bank	1	-	-	1	13	14
Puri Gramin Bank	-	-	1	1	4	5
Bank of Paroda	1	1	1	3	6	9
Cooperative Bank	-	3	1	4	3	7
Andhra Bank	-	-	1	1	3	4
L.O.B.	-	2	-	2	4	6
Basikulya Gramscena Bank	2	1	2	5	5	10
Canara Bank	-	-	1	1	1	5
TOTAL	6	8	7	21	56	77

TABLE 6.1(d)  
ORISSA

Bank	Pr <sub>2</sub>	Pr <sub>3</sub>	Pr <sub>4</sub>	Total	No problems	Total interviewed
Big Banks	4	4	3	11	11	55
R.R.Bs	2	1	3	6	9	15
Coop.	-	3	1	4	3	7
TOTAL	6	8	7	21	56	77

Chi square  $\chi^2 = 5.86$   $df = 4$

TABLE 6.11(e) DARJEELING/NADIA

Bank	Pr <sub>2</sub>	Pr <sub>3</sub>	Pr <sub>4</sub>	Total	No Problems	Total interviewed
S.B.I.	2	3	6	11	8	20
United Bank of India	2	-	5	7	6	11
Nadia Gramina Bank	-	-	2	2	4	6
Land Development Bank	-	-	2	2	2	4
Central Bank of India	-	-	2	2	5	8
Cooperative Bank	-	1	2	3	1	7
Uttar Banga Gramina Bank	-	-	-	-	1	1
TOTAL	6	4	20	30	33	63

TABLE 6.11 (f)  
WEST BENGAL

Bank	Pr <sub>2</sub>	Pr <sub>3</sub>	Pr <sub>4</sub>	Total	No problems	Total interviewed
Big Banks	6	3	14	23	23	46
R.R.Bs	-	-	2	2	1	6
Coops.& LDBs	-	1	4	5	6	11
TOTAL	6	4	20	30	63	63

Chi square = 0.726, df = 4

6.11 Again problems were analysed with reference to each type of bank in detail. The banks were divided into three groups viz big banks, Regional Rural Banks, and Cooperative banks. Table 6.11(a) to 6.11(e) give a picture of the present situation. There is no special pattern and the problems are more or less evenly distributed. This result is also in congruence with the result of table 6.1 (c).

6.12 Table 6.12 gives the total picture of all the states with reference to specific type of problem and the type of banks. The statistical analysis with reference to their dependency gave the following results.

Table 6.12

Bank	Pr <sub>2</sub>	Pr <sub>3</sub>	Pr <sub>4</sub>	Total Problems
Big Banks	17	20	25	62
R.R.Bs	3	1	5	12
Cooperative Banks	0	5	6	11
	20	29	36	85

Calculated value of chi square = 3.95

Degrees of freedom = 4

Critical value  $\chi^2(0.995) = 14.86$

The calculated value is less than the critical value. Therefore the null hypothesis that the two variables the type of bank and the type of problem are independent is accepted.

6.13 The problems occurrence data was also tested statistically to find out if there is any dependency relationship between the banks location and the type of bank in the actual problem situations.

Table 6.13

Bank	Karnataka	Orissa	West Bengal	Total
Big Banks	28	11	23	62
R.R.Bs	4	6	2	12
Cooperative Banks	2	1	5	11
	34	21	30	85

H<sub>0</sub>: The two variables the banks location and size of bank are independent with reference to problem occurrence probabilities.

Calculated chi square value = 6.69.

Degrees of freedom = 4 critical value = 14.86 ( $\chi^2(0.995)$ )

The calculated value is less than the critical value. Therefore the hypothesis is accepted and it is seen that there is no dependency relationship. The problem occurrence do not depend on the location of the banks dealing with the programmes. Whether it is a big bank or a small bank, all of them equally faced problems in whichever state they are located.



# KRISHNAGAR (CASE) - WEST BENGAL - NADIA DISTRICT

A specific example from the ISB Sector is described below:

In the handloom sector, the IRDP beneficiary finds himself against odds at each of the operation like purchasing of raw materials, marketing of product etc. He has a weak sustaining and bargaining power. Even though an asset is provided by the IRD Programme, it was seen that he was given an asset machine under traditional technology. If he had been given a machine with modern appropriate technology, his productivity would have been high and this would have enhanced his earnings. Because of this, along with the IRDP loans, he has to borrow from money lender to fulfill the various needs. In the marketing area, he is still exploited by the middlemen. He could not fulfil delivery schedules & he had no marketing support. A project oriented approach is necessary to make the scheme viable. He always lost since there is no linkage between the support functions. Each IRDP beneficiary was treated as an individual production center and a group approach does not followed. If the beneficiaries belonging to the same village could be brought together, the programme could have achieved some tangible results. There was neither a project approach, nor a group approach to make the schemes viable.

It is seen that the IRDP is not integrated to special/urgent needs of the rural poor. We can cite a number of examples from the IRDP beneficiaries covered in the study.

6.5 In another case, it was found, that very soon after taking the loan, the beneficiary's hut was damaged due to fire. The end result was that he lost most of his personal assets (handloom equipment and his meagre basic properties like clothing, vessels, bedding etc.). He was left with the burden of the loan and he had no other job opportunity. He could not also get a second loan. He was also not covered by insurance. Neither the district/block officials, nor the bankers, could help him. Since he did not have any insurance cover, like the milch-cattle beneficiary. Therefore, a total Insurance package covering all IRDP beneficiaries is a must and the authorities should work towards the same. This could have been the case with many other beneficiaries. The IRDP programme did not cover such unforeseen individual/local calamities. Insurance covers only milch animals, but even that is not effective. It was seen that the officials of all relevant organisation came to know about this particular case only after 6 months. Even though the beneficiary tried to meet explain, he was not given a chance to do so.



## 6.17 BENEFICIARY AND ADMINISTRATION

The District Industry Centre gave more preference to small scale entrepreneurs of the industrial sector and the officials were not at all involved in anti-poverty programme. At present, the small scale entrepreneurs are much above the poverty line and there is no comparison between the two groups. The small scale Sector was more urbanized (attitudewise) and the officials of DIC preferred the better placed group. They did not give proper attention to the rural poor group, who belonged to the tiny Sector. In reality, the IRDP group is much below the tiny sector with reference to investment, turnover, etc. Therefore, the IRDP beneficiaries should be guided separately. The DIC should have a separate wing.

It was seen that the success of the scheme depended upon the attitudes and efficiency of the machinery at the cutting edge level of the administration and in this case at the block and village level. At this level, it required maximum attention. The villagers said that the key personnel like Gram Sevak, block development officer etc. were not motivated to discuss with IRDP beneficiaries. The officials were always busy, over burdened, primarily due to other schemes and programmes, like Family Planning etc. They were also busy looking after the senior officials who visit. Even though the villagers accepted the importance of other programmes, which are like support systems for rural poverty elevation, they felt that there should be a separate set of personnel for IRD programmes. They found many Gram Sevaks have been deputed to other schemes like T & V system etc. The Vacancies were not filled in time. Therefore it is felt that the work load should be studied objectively and additional posts must be created or the work must be bifurcated between two or more functionaries at that level.

In the B.D.O. office also, most of the officials have come on deputation. They had joined this office in order to avoid a transfer to another city/office. Therefore, they were more interested in their own parent cadre. Their attitude is different towards this work and there was no cohesion with the operating group. Since they did not have an identity of their own. The deputation period of different officials did not coincide. There was lack of continuity due to frequent transfers. The officers were interested about their future postings. The beneficiaries had to deal with a new group of officials whenever they went to meet the officials. Some post or the other was always vacant. There was no feeling of (affinity) oneness within the group of officers to achieve the goal. This led to a pathetic situation and there is no surprise that the interaction was poor.

## 6.18 IRD PROGRAMME AND GEOGRAPHIC FACTORS (NEGATIVE EFFECTS OF BAD INFRASTRUCTURE)

- (i) It can be said without any doubt that the IRD programme implementation started and ended with semi-urban centres. The

programme followed the net work of roads, in most of the cases studied. The hazards of the district roads, the location of rest houses, and tourist places, shortage of time and fuel, and comfort were the main factors which influenced the rural visit of officials. The preference was for tarmac or built roads and closeness to urban centres. programmes were concentrated near urban centres and administrative centres. The schemes and loan programmes were concentrated near urban centres and administrative centre. Even the block level officials neglected interior areas. As we all know, the regional distribution of the poorest rural people is more concentrated in remote areas, like tribal districts etc. Tarmac and roadside biases therefore directed attention towards those who were less poor. For e.g., in Orissa, agricultural demonstrations of new methodology have been sited near main roads. The minor irrigation canals and pump sets either followed the roads or vice versa.

- (ii) Even social facilities were nearer the richer half of the rural population. As services are provided along the roadside, people who are better off always enjoyed it. They enjoyed transport, electricity, piped-water supply, postal facilities etc. The poorer beneficiaries were lost sight off. They were given the assets and were expected to manage them. They did not have minimum social facilities and this affected the results and workschedule. There was no follow-up, and these beneficiaries were chosen just to fulfil the targets. So within the rural poor, better-off persons got the advantage. Therefore, the programme again created segregation and a type of division.
- (iii) It was seen that within the villages, the poorer section was hidden from the main streets and markets where people gathered. It was really a pity to see that the real rural poor did not have any information about these programmes. The officials never met them. Most of the beneficiaries, who we met belonged to villages with better roads and electricity. They received all the intangible benefits of location, like information, radio, transport, shops etc. We were able to meet beneficiaries from remote areas after a lot of persuasion and difficulty. These poor persons were interested and wanted to understand.. With reference to this particular aspect, the BDO'S were not forthcoming to discuss.
- (iv) This type of semi-urban bias was also accentuated by the fact that the concerned officials did not have enough vehicles. The fuel shortage, and non-availability of mechanics in the interior rural areas also increased this bias. They felt that the cost of implementing the programme will also go up, if the personnel have to travel to far off interior places, at least 4 or 5 times. The project personnel were expected to complete the target number of beneficiaries keeping the cost of implementation as low as

possible. The budget cuts on expenditure affected such projects, and the real rural contacts become rarer and the urban bias was more pronounced, we were not able to visit interior rural areas, except in a few blocks, and we found there were many who could have been covered under these schemes.

- (v) The difficult terrain also contributed to the time constraint. since the programmes were implemented mostly towards the fag-end of the year, the time constraint became more acute. This also led to an increase in the semi-urban bias. More distant, often poorer areas, are left out in preference to those which are closer, more prosperous and cheaper to visit. It is felt that budget cuts will lead to the deprivation of already deprived "tailenders". It was seen that every reduction in transport cost deprives the poorest of the poor even of the knowledge of their deprivation. Therefore while evaluating the programme effectiveness, the distance covered should be considered as one of the criterias for better performance.
- (vi) We also identified something called "project bias" in our study of the different districts. There were certain places where some money has already being spent and medium-sized project were going on. For e.g., In the Puri district, Konark block with tourist attraction had more IRDP schemes. Since ministries, departments, district staff and voluntary agencies pay special attention to them and channel all visitors to these areas, there were islands of better activity. It was seen that compared to other districts of Orissa, Puri had an advantage. IRDP schemes were implemented in a better manner in and around these areas. It is not an unknown fact that such models are available in all States/districts and they are used as show pieces to demonstrate their efficiency in these activities. These models direct attention away from the real rural poor who did not take part in the programme.
- (vii) It was also seen that there was no bias for elitism while choosing the beneficiaries. But the bank officers had a "Elite bias" (white collar) in their behaviour. They dealt with more influential people quickly, like the head man, religious leader, teacher etc. They never talked to very poor beneficiaries and the poor beneficiaries felt a gratitude for the asset given to them. They were inconspicuous and we had to search them out to discuss about their problems. They sometimes did not know that they could have approached the officials for help.
- (viii) It is also seen that there is a male bias, out of the selected beneficiaries, we have only a few women beneficiaries. The village/block level officials neglected women. It was a known fact that woman had an inferior status in the rural society. They themselves were shy of speaking to officials and their men

discouraged it. But since they do most of the work for long hours, it is felt that they should be given assets in the IRDP scheme and given special attention. The women in rural society also felt it. The milch cattle belonged to the male according to documents but the work is done by the women folk. They do not get paid for their work. The single rural women, for e.g., widows who are heads of households did not get any scheme. They were not even trained in Trysem. This group was mostly hidden out of sight. In this group 90 per cent of them were below the poverty line. It is necessary to give special attention.

- (ix) Another important fact is <sup>that</sup> during difficult days (rainy or severely hot-dry) the officials never worried about either the beneficiary or his asset. During heavy monsoon or dry period, when the beneficiary required guidance and assistance nobody cared. The difficult terrain with broken bridges, overflowing nallahs, mud etc. caused lot of inconveniences and discomfort to the beneficiaries and their assets. But there was not a single official who was willing to visit the beneficiary living under such conditions in a remote interior corner. So after a few months, when the officials found the beneficiary sick or unable to maintain the asset due to these problems, there was near pandemonium. The question "Why the beneficiary did not meet them to appraise them of the situation" seemed irrelevant to us. If the big officials with vehicles etc., could not visit that place due to commuting problems etc, it is really difficult to comprehend how they expect the poor beneficiary to commute and meet them. It is necessary to pay more attention to infrastructure development. It can be said that there is a period of about 2 to 2 1/2 months in every state/district after the onset of monsoon, when many rural villages inside the blocks are inaccessible. During this period all linkages between the beneficiary and the officials are lost. During this period, these difficult areas do not receive even the meagre support of social and economic services which they were receiving. Life becomes more difficult. It is really necessary to accentuate the socio-economic support services during this hour of need. As such we found the IRDP had a dry-season bias. The poorest of the poor were more frequently visited if at all, when they were least deprived. This gave the block officials a wrong idea about the real problems faced by the beneficiaries during the difficult days.
- (x) Gram panchayats were not associated in the programme. Therefore it led to situations where the participation and involvement was minimal, leading to indifference. The local leaders were not treated as catalyst and they were left out. This led to some resentment and discontent.
- (xi) Allocation of equal funds to all districts did not take into account the field economic conditions. Beneficiaries in richer blocks received the same allocation as the ones in the poorer blocks. Allocating IRDP funds to the districts simply on the basis

of the number of blocks in the district was also unsatisfactory, as it did not take into account the development status of the district. The beneficiaries felt that this inequality reflected in the results, as they felt that only money or the asset cannot generate income.

(xii) Intensive standardisation of programmes and schemes without any leeway for innovations and creativity led to the breakdown of the programme at the grass-root level. As there was no flexibility, the officials and the bankers, went about implementing the scheme as they perceived the objective as the distribution of assets/funds to target group. For e.g., they created tailors, electricians, mechanics in large numbers, milch animals in drought prone areas etc., This led to fierce competition among the beneficiaries themselves and there was no group cohesion.

(xiii) The quantum of finance was not enough/to generate the expected income in all the schemes. Even though NABARD guidelines had been followed in certain cases, it was seen that in actual practice, the costs of feeding the milch animal, cost of maintaining the transport vehicle, cost of maintaining the fishing net and both, and other fixed assets are very high. With rising inflation, and falling demand, the returns were low. All the project profiles assumed a certain amount demand which was not fully validated and reliable. Even where produce is generated, market was not taken into account. There is a critical minimum level of investment that is required to generate sufficient income and this critical minimum level of investment varies from family to family, scheme to scheme, asset to asset, block to block, district to district. This critical minimum level of investment should have been provided with adequate guidance.

(xiv) It was seen that at the block level no home work was done before introducing the programme. There was no survey of either the families or the block to identify and determine the various schemes required, their number, the beneficiaries the timing of schemes, the credit quantum etc. The essence of the programme and its linkages to development was neither understood by the administrators nor the bankers. Therefore, if the poor beneficiary thought of the programme as a "grant or donation" it was not his mistake. The minor irrigation scheme were not planned with reference to water table, ground water survey etc. Milch - animals were not given with reference to the locational capacity to support them. The schemes were adhoc and were not properly planned. With reference to many schemes, there was no follow-up education. Minor irrigation scheme required follow-up education on different cropping patterns. Milch - cattle schemes required education on preventive care and scientific cattle management. Sericulture required education on feeding the insects and preserving cocoons. All this were not included in training. Even technological training was inadequate.

## CHAPTER - VII

### FINDINGS AND SUGGESTIONS

The final chapter looks into the overall findings of all the previous chapters and also there are certain interpretations and suggestions which may be useful for future policy decisions.

7.1 The integrated rural development programme did not look at integrating all aspects of rural development problems. It did not really integrate. It is an individual based scheme. It is a non-integrated programme. All the linkages did not integrate to form a coordinated viable projects. Most of the other departmental developmental activities were planned adhocly without any relevance to IRD Programmes. Credit Plans for the individual schemes (IRDP) were not integrated with the credit plans for other developmental activities. It was the most disintegrated programme. Therefore, it is suggested that IRDP should be meshed into the Development Programmes and for this following measures should be undertaken.

7.2 Even though on paper IRDP (Published Annual Report of the Ministry of R.D. GOI) is successful as measured by the amount of loan and subsidy given - in reality, the beneficiaries and the programme had lot of problems. The criteria of measurement should not be the monetary input. The targets were achieved but the programme failed. It is something like the operation was successful, but the patient died.

7.3 The present plans were not drawn by the traditional village leaders, and did not touch their concrete problems. Therefore, the beneficiaries lost interest in the programmes. They did not attend the village/block meetings as they found them futile. (Chapter III).

7.4 The main task of the whole programme as understood by most of the officials concerned, was how best to spend the money allocated by the central and state governments and utilise all the available bank credit. They thought that they knew the best. The B.D.O. of one of the blocks studied said, that he had difficulty in finding 600 beneficiaries. He also did not have enough schemes. He chose wrong beneficiaries and gave them some schemes so that the money is spent in time. The bankers in the same block also felt that it is necessary for them to reach the target of 40 per cent credit to priority sector. This attitude should be changed through education and training. The IRD programme if it should achieve its objective of poverty alleviation, should be linked to practical commitment. (Chapter III & IV).



7.5 In the IRD Scheme for transport operators, the beneficiaries from backward blocks had lot of problems, while those from semi-rural blocks were better off. In the backward districts, the beneficiary did not get enough clients on a daily basis. But he was able to get enough clients off and on, that he was able to earn about Rs.4000/-during the year. The problems he faced were:

- 1) During lean periods he had to borrow from money lenders.
- 2) He could not save money from his earnings in the peak seasons, as they were also not huge amounts.
- 3) He did not have repair service near his village and he had to go long distance (extra expenditure and time) to get them done. In the process, he had to loose a few customers.

7.6 The IRD Programme, gave them the assets, and the few beneficiaries, who had no other socio-economic problem, were able to earn something. The other group with other socio-economic problems, found that they do not have any backup assistance to solve these problems. For e.g. one beneficiary had a problem with reference to dowry for his daughter. Even though he earned about Rs. 20/- per day he could not repay the loan or interest. In the end, he gave away his milch-cow to the son-in-law who did not look after it properly. When the cow died, the son-in-law started fighting again. This case brings out the fact that linkage organisations should try to help in solving the other social problems of the beneficiary. It is not enough to give assets or loans.

7.7 Another important problem faced by the beneficiaries related to the health either of their kids, wife, or parents themselves. Most of these blocks/villages, did not have adequate medical facilities, and as a consequence the beneficiary, suffered. He had to spend a lot of money and time due to lack of hospital facilities. Many times, he could not attend to his work (like weaving, carpentry etc.) which meant loss of income. Both cumulatively added to his inability to repay, and he had to recourse to money lenders. The linkage to social infrastructure development is a necessity.

7.8 The problems faced by beneficiaries, who had teen-age children were different. Most of these villages and blocks did not have secondary schools. After completing the primary school education, these children do not have any proper vocation. They are neither big enough to be employed nor small to sit and waste their time. The energies of this group is not mobilised properly, and this led to juvenile problems,

which affected the beneficiary mentally creating tensions. Social infrastructure to develop the capabilities of this group will lead to better productivity for the present and for the future.

7.9 It was also seen that due to some inherent timidity, in a psychological sense, the poorest of the poor do not meet even the village level officials. The village level officials did not expose or discuss these problems to the senior visiting officials. Therefore, there was no positive effect of these programmes on this group. When we made a specific reference to this group, we found that politeness and prudence inhibited senior district and block level officials from questioning the village officials in a detailed manner. This situation has been realised and at present they are being brought into the fold very slowly for e.g., 5 or 6 persons from remote villages are specifically included in the IRD programme. Therefore it is seen that it is crucial that the credit plan should be linked not only to schemes, but also to the remote villages by specifically bringing them into the main stream.

7.10 It is felt that a massive effort is necessary to implement the minimum needs programme simultaneously. Unless we bring within the reach of the rural masses, basic educational and health facilities including protected drinking water, the anti-poverty programmes will suffer. Therefore social inputs in these sectors are essential to enable them to derive the full benefits of the economic opportunities thus provided. The assumption that the poor will be able to reap the full benefits of anti-poverty programmes, without adequate social inputs, has been proved wrong by our study.

7.11 It is also necessary to see that both financial inputs and motivational inputs go hand in hand at the village front. We have to boost the self-confidence and self reliance of the rural poor by meeting their aspirations. At present the IRD programme is implemented overlooking the talents and resources of each locality. This is due to the fact that the innermost capabilities can not be developed overnight, and it is a slow process of building up the rural society around its own peculiarity. The overall programmes tend to neglect these and fail to involve the villagers at the appropriate stage and take cognizance of their genius and aspirations. The different schemes are thrust on them and being poor, they succumb to it.

7.12 It was also seen that poultry loans were given to beneficiaries who had no such previous experience of that type of work. They neither had time or patience to run them properly. They were not trained and there is nobody to guide. Similar was the condition of kirana shops, vegetable vending etc., where the beneficiaries abandoned the



enterprises after exhausting the working capital part. They did not get working capital loan. Some of them had to close down due to lack of business. The business also had to close down since they could not extend credit facility to clients like big competitors. In some cases, they extended lot of credit to customers clients and lost. There was no insurance and also was no support from the environment to give them the required push.

7.13 In the dairy scheme also, it was seen that attention was not paid to linkages, Cattle feed at cheaper rate was not available. There was no near by contact point for the sale of milk. There was no arrangement for grazing land and fodder even in scarce areas. There was no milk route in many villages and chilling centres were very far. The tropical climate also added to the problem. The beneficiaries were forced to sell milk at low prices due to these circumstances.

7.14 In dry and drought prone areas new technology of dairy farming in the form of high yielding breed was not contemplated. Local bred buffaloes with a milk yield of 2 to 5 litres were procured from the village or neighbouring ones. There were no arrangements for scientific breeding of animals. These animals became a burden during the dry period rather than an income earning proposition. Usually a second animal was expected to fill in the gap. Even though the beneficiaries also wanted a second animal, the officials did not show interest in sanctioning a second one. The officials felt that given the dry conditions of the area, the beneficiaries would fail in their responsibility to maintain the animal. Even the first one was given, not because of their ability to maintain, but because the officials felt that it is mandatory under IRDP to give to the beneficiary some scheme or the other. Therefore, they did not want to create a situation where the repayment position would become very difficult as the beneficiaries will have to repay two loans. They were afraid of creating virtual debt traps. Therefore, there was a paradoxical situation .

7.15 Lack of close touch and keen supervision gave scope for wayward functioning of the programme. Especially when the programme was new, adequate initial care should have been taken. The district/block and village level functionaries were inadequately equipped for this purpose.

7.16 Household plans were not formulated, even though the VLW was expected to do this. There was a format for the household plan, but it was not available with the VLWs. This was not prepared due to inadequate expertise and lack of clear instructions to that effect. The VLWs were not even able to discuss with the beneficiary about the IRDP Schemes, quantum of finance for it etc., It was not correct to expect them to formulate comprehensive Five Year Plans for the household based

on the beneficiaries' aspirations and there was no training given to VLWs. The officials and bankers also act condescendingly, which gives an inferiority complex both to the VLWs and the beneficiary.

7.17 It was also seen that the demand for grants of State budgets do not include district-wise allocations. They were mostly departmental-functional budgets.

- a. The district-wise allocations were made much after the presentation of annual budgets.
- b. The delays in sanction led to lobbying and the end result did not have any relation to need.
- c. The delays in communication of sanction led to delay in implementation.
- d. The rush of expenditure towards the end of financial year led to inefficient and wasteful spending.
- e. All the above four factors led to improper formulation of projects. (Chapter III).

7.18 The DRDA/block and bank officials are rule minded, target bound group, who are more mechanical in action. The regular touch, constant interaction and affection are missing in the whole system. There is no flexibility in operations, committed cadres of workers, innovation and zeal; we found that the officials do not even spend one full day in six months with the villagers discussing matters of importance. Sectoral approaches have also fragmented this disjointed effort.

7.19 It was also seen that the IRDP alone could not stop migration to urban areas. Since other infrastructural facilities like road, transport, civic amenities did not develop side by side the rural poor want to migrate. They found that what they earn from IRDP assets is much lower than the daily wages in urban centres. They accepted the IRDP assets as a stop gap arrangement. Some of the salient observations are:-

1. The programme was conceived as a series of uncoordinated actions to be carried out with illiterate farmers.
2. Rural development was divorced from development in general.
3. The programmes were planned, developed, and carried out without the involvement and participation of the people who are the

subjects of the action. The plans, programmes and projects did not correspond to the needs and interests of the rural population.

4. It emphasised agricultural development and ignored other important components of total rural development such as education, health, etc.
5. It underestimated and lacked respect for rural values and technologies. It underestimated the amount of knowledge and wisdom of the beneficiaries.
6. The interests of power groups were equated with progress and well-being for the beneficiaries. Rural Development, was used as a vehicle for political interests. The D.D.P. was not properly framed taking into account all the constraints imposed by the Socio-economic-demographic environment of the district. The D.D.P. was generally prepared based on the aspirations, whims and fancies of the rich and influential group. This should change.
7. It denied importance to women and young people.
8. It allowed the programmes to become routine, without allowing them to evolve dynamically with reference to the changes they have caused
9. Open handed generosity or paternalism, played a large part and allowed the beneficiaries to indebt themselves to the credit agencies at their services.
10. Too much enthusiasm was shown at the beginning of the programme and then it reduced to a minimum in the later stages.
11. It continued to treat the rural population as the objects and not as the subjects of development. The officials and bankers acted condescendingly which gave an inferiority complex to the beneficiary.
12. There was no preparatory work done for identifying the projects based on local resources.
13. Communication system is not effective and the infrastructural facilities were very inadequate.
14. The delay in the implementation of Land Reforms had led to ineffective utilisation of credit. Land Reforms should be carried out with more enthusiasm, so as to reap the benefit of efforts of the team at the Block office.

15. General backwardness of the inhabitants led to the failure.
16. It did not have an opportunity for early feed back and corrective action.
17. Disturbed political climate in the some regions led to the failure of the programme.
18. Unstable electric-power position: Non electrification of villages due to difficult terrain and the Imbalance in the level of electrification between Tribal/Hill areas also led to problems.
19. Lack of raw materials inadequate and erratic supply of raw material led to production problems.
20. There were no innovative schemes in IRD Programme. Credit was utilized without any relevance to need. It was a target oriented approach. It was not a resilient approach, where the credit needs are felt and fulfilled according to the situation.
21. Government has not taken responsibility for Rural industrialisation. It has left it to KVIC.
22. Delayed acceptance of scientific facts due to psychological problems of beneficiaries.
23. Absence of technical and entrepremenrial skill in the blocks.
24. Existing in-frastructure for imparting these skills is either locationally and situationally irrelevant, or inefficient and ineffective, or altogether absent. Trysem training was not linked to the potential in the area.
25. Preparation of local official machinery to deal with all these aspects is inadequate and sometimes it was not there. Trained staff were not available in the DRDA/BDO offices.
26. The extension officers of the DIC, posted at Block level under the BDO, treat the DRDA/BDO as one among equals and there was no proper authority set up.
27. DIC and DRDA did not open common facility cum training centres in the blocks at least with reference to trades like leather articles, bakery etc.,

28. Incongruity between the banks macro policies and those actually pursued at the grass-root level by the various branches led to the failure. (chapter iv).
29. Banking and credit infrastructure was highly inadequate. (chapter iv)
30. All officials were not motivated to deal with the complex processes of change inherent in the process of implementing IRDP.
31. A cadre of science and Technology personnel to ensure technical service to rural areas was not developed either by banks or DRDA.
32. A Project oriented approach was never followed. Each IRDP beneficiary was treated as an individual production centre.
33. Poor staff strength in the rural branches led inordinate delay in sanctioning and in follow up even though the money is available in DCP.
34. Inducting technical and committed personnel in Regional Rural banks, Cooperative Banks and rural branches of Commercial banks was major problem. There was no post-implementation counselling.
35. IRDP has resulted in short-term gains paltry benefits in the present-without any long-term sustained results. Of course the milch cow has benefitted the beneficiaries. But it did not increase their future income base. When this cow dies, he is back to square one and he will need something else to bring him above the poverty line.

#### 7.20 AGRICULTURE AND ALLIED SECTORS

Wastage in agro-based activities was very high e.g., vegetable growers horticulturists etc. They did not get full value of their end products due inadequate infrastructure and grip of intermediaries.

Since most of these goods are perishables wastage is as much as 50%. Therefore the net income was very low in pineapples, mangoes, vegetable, tomatoes etc., grapes, Jackfruits etc. (Bangalore) tomatoes. No intermediate processing facilities were available at taluka level. For example while providing coconut palms, they should have provided infrastructural facilities and credit for rope making, coir beds etc.

## 7.21. THE NEW PLANNING SYSTEM (SUGGESTED)

7.21.1 During field work, we observed that the detailed household plans were not prepared, even though there were instructions from Government of India. This was due to the fact that the DRDA did not give clear instructions to VLW. This could also be partly due to the fact that adequate expertise and manpower was not available for the purpose with the DRDA. With reference to VLWs there was no motivation. They lacked the enthusiasm, initiative and necessary mobility to visit the beneficiary.

7.21.2 In our opinion, a properly formulated household plan would have helped the beneficiaries to select proper schemes under IRDP to meet their own aspirations. This would have helped in monitoring the scheme better since the beneficiary himself would have monitored it. The programme success and the achievement of the objective of crossing of poverty line could have been ensured, as the beneficiary will reach his personal goal at the same time. A goal congruence is the basic answer.

We suggest that these household plans for each selected beneficiary should be prepared with him and supplied to the Block officials and bank officials. For this purpose, the staff of the village, office, block office and DRDA should be strengthened and trained. They should be able to discuss, convince, and prepare a viable, realistic, specific action plans.

7.21.3 Another important factor is that the people, especially the rural poor, of our country do not constitute a homogenous group. There are sharp differences between classes, castes and sexes. It is very important to realize that these plans should focus on their specific situation. At present most of the officials of the block and district apparatus who take the responsibility for initiating the planning process do not in general come from these type of households. They make a general plan which is totally useless with reference to these beneficiaries. A determined effort to understand A determined effort to understand their problems from their point of view is necessary. This process of village planning requires an intensive analysis of the society concerned. For this, specially trained manpower is a necessity.

7.21.4 It should be understood that there has been no change in the structure of society for centuries and to elevate him above the poverty line there should be actions to change the basic structure of society.

7.21.5 In the village societies and panchayats, the main force is the rural poor. But they are illiterate and they do not have an opportunity to know their country. To start with, they should begin concentrating

their attention on their own village, panchayat/panchayat samities to understand them. Even here, at present the discussions are held only through the representatives, who are again a handful, political bosses, depriving them of knowledge and consciousness, of what is happening. We must understand that these illiterate villagers are significantly more knowledgeable about their needs than the outside leaders who plan for them.

7.21.6 The new type of planning, as suggested here, involving the villagers, will generate self confidence, and give credibility to plans. This will also ensure enthusiasm and coordination during the implementation process.

#### STEPS:

1. Household plans for all the households below the poverty line should be prepared, so that we understand their aspirations. This will give us an idea of skills availability, skills potential and aptitude of the villagers. They should also include the schemes proposed by the villagers along with all its costs, loans subsidy, and estimated revenue. This along with the resource based survey should be discussed in block/village farmers, which will lead to a proper Block Development Plan and Block Credit Plan (BCP).
2. It is necessary that the beneficiaries of the IRDP are organised around viable economic activities linked to each other and to institutions. While planning with the individual beneficiaries we should explain the linkages & the support systems. These linkages should be strengthened through technical, administrative and financial support systems. Access to modern forward and backward linkages technology credit, markets, etc., should not be assumed. It should be directly provided and also be monitored for its timeliness and effectiveness. The only way we can expect to bring them above the poverty line. There must be constant interaction with them - daily if necessary.
3. The DRDAs in collaboration with the district cooperative banks and other agencies, should start a scheme of fodder production on the village waste lands for meeting requirements of landless and other poor beneficiaries. The fodder can be sold at cost price or at a subsidiary rate to the beneficiaries.
4. Beneficiary involvement from the planning stage and community involvement in the selection, design, construction and implementation of the total programme will pave the way for successful implementation. When local committees consisting of

villagers and low level officials prepare the plan and budget based on their needs and aspirations, it has been found that the rural people have perceptions of needs and possibilities which are generally realistic and different from those of officials formulating the schemes in most of the cases. These need based plans prepared with the beneficiaries can easily be implemented.

5. Minimum standards of food, clothing, shelter, health and education should be provided to the beneficiaries. These not only improve the quality of life, but also indirectly affect human productivity. Low income implies inadequacies of nutrition, shelter and other components of a basic level living. This leads to physical and mental lethargy, inability sustain hard work, inability to recognize and respond to problems, lack of awareness, and poor motivation. The situation is more so with those who are too poor and too remote to avail of any facility. Nearly 70% of the rural poor is out of touch with all these facilities. Preventive Services, along with sanitation and drinking water, will restore their health and improve productivity. Then only the IRD Programme can have a tangible effect.
6. Access to education in poor rural areas is not adequate. Even though there has been a significant increase in educational opportunities this has not penetrated the far and remote areas. The services are unevenly distributed. The present system of education, is also not suitable to the needs of the rural poor. Therefore both qualitatively and quantitatively the education system should be geared. This reorientation of education will give a pep to the effectiveness of poverty alleviation programmes.
7. It is suggested that along with the IRD Programme, some assistance is necessary by way of guidance and special help to improve the present standard/quality of living. Let us take the example of an ordinary hut-grass. This is commonly used for roofings by millions of poor and are susceptible to fire. As they are locally available and cheap, the poor build their own houses using simple tools and traditional skills. If we give a small guidance, to make these materials fire-proof, we may be helping them a lot. (Dipping the roofing materials in a solution of 14% diammonium phosphate and Sodium flouride in water for about 10-12 hours and drying prior to making the roof). This small appropriate technology will save them from disasters. But it is also essential to take other precautions like coating the top of the roof surface (after building it) with low-cost water resistant paints to prevent the chemicals from leaking during rainy season. So it is not just one operation, but a total guidance. We have to educate them and also help them with



demonstrations. The concerned officials will have to supply the required chemicals and paints. This will enhance their chances of survival. In the same way appropriate technology to protect mudwalls from erosion will go a long way to solve their problems. Appropriate technologies should also be used to provide cheap smokeless chullahs. In the IRD Programme the necessity of providing these services should be taken into account. Unless the different requirements of basic necessities are also fulfilled side by side, the IRDP will not be a success.

8. Technology institutes that provide the inputs for technological change and appropriate technology should not by-pass the IRDP beneficiaries. Research should be undertaken to update location specific methodologies. Specific tools of trade should be also provided side by side. Any amount of effort to increase productivity will go waste and he will not be able to repay the loans and maintain his traditional assets unless action is taken from this angle. DIC should also have a guidance centre with reference to this DCP should also take care of the Financial Side of this.
9. Priority should be given to research and gathering information (Data base) about the target group. There must be information about the number of persons, where they are, their economic conditions, needs, ambitious, their skills, incomes, nutrition health, family structure and general socio-economic environment. The limited household surveys does not bring out all these factors. This research can be used while developing plans and schemes both with reference to infrastructure and the individuals.
10. Another important factor to be developed is the attitude of beneficiaries themselves to the programme. They did not regard these programmes with due respect because of their earlier experiences. Many of the previous developmental programmes did not even touch them. Therefore, thought that they were getting some free finance/assets and did not understand the necessity of generating incomes and repayment of loans. If it had been the money lender, they would have understood all the implications. It is not that they do not understand repayment and interest. Therefore it is necessary to organize and educate them to act in a disciplined manner. Before getting the loan, they should have undergone the drill for atleast 3 months which will explain to them the need for choosing a proper viable scheme, generating income and repaying the loan with interest. This drill should be conducted by all the three functions, so that the Schemes become viable at a very early stage.

11. The critical minimum level of investment as discussed earlier should be calculated for each region, family and scheme. This should be used for project costing, testing project viability and working out repayment schedule etc.
12. The Household plans finally prepared for each beneficiary and his family should be made a part of the document/file on him, with a copy to him. It should be the basis of all future actions
13. The Block development officer has lost his credibility and he is ineffective. We should have a senior officer, at the collectors level, young, trained and motivated to coordinate all the development activities at the Block level. This is especially necessary since the functional and technical officials do not accept the authority of BDO who is of the same hierarchical level. A BDO who is very old, at the verge of retirement has neither incentive nor initiative to achieve the goals of development. But this can be achieved if extensions in service are promised on the basis of results.
14. The Block level organisation should be strengthened with a staff of their own. The system of deputation should be dispensed with. A motivated group to achieve is the need of the hour. The officials should be given adequate authority and be held responsible with reference to effective implementation of the programme. There should be group incentive for achievement.
15. There are too many functionaries at the district/block level. Coordination and cooperation is difficult. There should be a rationalisation of functions and functionaries, so as to make it a really effective unit of operation.
16. Total view of the credit requirement for all programmes should be developed. It is not advisable to follow piecemeal approach.
17. Uniform credit patterns for the whole country is not correct, as it does not take into account location specific problems. Detailed strategy, should be worked out at the block level and there should be Block Credit Plans based on Block Development Plans.
18. IRD Programme insisted on set schemes, and it really did not channelise the credit to flow into such traditional occupations, in which the villagers were sure to generate income, due to their special skills. It is essential to give impetus to traditional skills by modernising with appropriate technology. Attention should be paid to operational details and on the specificities of

the area to be developed. The characteristic of the specific population group should also be taken into account while developing schemes.

19. Since the Bankers never understood the problems of rural development administration, one banker from RBI/NABARD should form part of the team at the Block Level.
20. The coordination between State Level departmental plans and the District Development Plan should be ensured. The project, schemes should be prioritised and weaved in such a way that the whole frame must become resilient to the needs. This will help in goal congruence and the whole of the administration will move in the same direction as a group and conflicts will minimize.
21. Functional officials should also be held responsible for development programme, and this will not be difficult as these programme will form part of their own departmental plans. Adequate decentralisation of administrative and financial powers to enable them to achieve goals is a must.
22. A properly prepared District Plan should lead to the preparation of a District Budget. All departmental budgets of the district with their special activities related to poverty alleviation programme will give a clear picture of the linkages to be created by different departments and agencies within the district.
23. As already explained in the an earlier chapter one of the criteria to evaluate the performance of the IRDP should be the distance of location of BPL group to the administrative center. Even if a small percentage of the programme reaches far away settlements, it should be deemed a success.
24. MANPOWER PLANS
  - a. The importance of continuity is not appreciated, in all the concerned organisation. We found that personnel (both banks, district and block) were transferred frequently. During the course of one year of the study nearly 30 officials were transferred as stated below.

District Commissioners	3/6 = 50%
Block Development Officer	15/60 = 25%
Bank Managers	27/200 = 13.5%
Lead Bank Manager	4/6 = 66.66%

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30  
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This very frequent change of personnel led to problems in coordination and delay in the processes. The development personnel should be allowed to strike roots and work along with the beneficiaries. Frequent transfers meant less involvement in the work. Such situations should be avoided. State Administrative Service officers should compulsorily work for a minimum period of years at the block level and his contribution should be assessed. A special positive value should be given to a longer stay in the rural areas.

- b. Those responsible for actual implementation of the programme should be specifically trained and motivated appropriately. Their salary should be enhanced considerably with a special allowance of 25% during their stay in rural areas.
- c. Linkages can be established only if the IRDP staff (both banker and B.D.Os.) are entrusted with specific follow up responsibilities and necessary authority. New incentive schemes should be implemented to increase their involvement in such activities.
- d. We can also draw in retired government and bank personnel and ex-servicemen for this work by giving them special incentives. They should be given special incentives to leave metropolitan cities. They will be able to deliver the goods especially because of their experience and managerial skills.
- e. Integration of Human Resource Development in the IRDP Programme is a must if it is to be a success. It is not asking too much, if we recommend that HRD must be first initiated before that IRDP. The HRD programme will have a positive effect on the knowledge, efficiency, work ethics of both the beneficiaries and officials.
- f. It is also necessary to understand the feelings of the beneficiaries. The concerned authorities must respect the culture of the beneficiaries and treat them with respect, sympathy and love. The officials may have the required skills to be imparted, the finance and other requisites but it will not suffice. The dedication to serve the poor with love and sympathy will alone

work. The officials would emotionally integrate with the beneficiaries and then only, we may be able to achieve our objectives of the programme.

## 25. TECHNOLOGY PLAN

- a. A technology plan at the district level and block level to be dovetailed to industry plan. For e.g., the disposal of sewerage water from the villages should be tied to the instalment of biogas plants. Educate the entrepreneurs and artisans about the advantages of improved technology-high productivity low cost/unit, less drudgery etc. Electrification Plan should also fully implemented.
- b. Make finances available for investment in new or balancing equipment.
- c. Dovetail Training in IRDP (Trysem) to the appropriate technology.
- d. IRDP Schemes to be dovetailed to Rural Industry Plan at the district/block level. DIC and DRDA should formulate the rural industry policy based on local resources and skills. Performance should be evaluated on the basis of positive break through and potentialities generated then on the basis of targets. (both physical and financial).
- e. Block level artisan societies should be started.
- f. Residence cum work shed concept to be developed.
- g. Primary processing centres for agriculture produce were not available at the point of production. Common facility cum training centres should be opened in the blocks with reference to important trades and the DCP, should finance the same.
- h. Servicing agro implements and machinery was very difficult. Service centres should be started.
- i. DIC and DRDA should jointly sponsor minicommercial and industrial estates for IRDP beneficiaries and trainees of TRYSEM. DCP should finance the construction of such a centre.
- j. DIC and DRDA should organize workshops on specific topics to prepare the beneficiaries for more effective utilisation of the assets and services available to them.

## 26. DATA SYSTEM

- a. Data problems should be solved by developing standards for collecting and classifying data. The staff at the cutting edge level should be fully trained to fulfill the information needs periodically. The personnel involved should be given adequate remuneration etc., so as attract talent.
- b. There should be frequent data monitoring by qualified personnel at the block level. Sample data, should be tested for validity and reliability.
- c. In order to improve the timeliness of data availability, the personnel concerned should be trained to use electronic equipments to classify, aggregate and standardise them. Electronic Processing is easy and cheap. Education upto secondary level is enough to do the job. The idea that high level programmers are required is wrong. One group to collect data on a standard format, one group to standardise them according to need and a third group to monitor the quality of data are the basics.
- d. Surveys should take place frequently (continuous & simultaneous) to collect data on projects/schemes that had been started and completed. The list of on-going ones with date of commencement, expected date of completion should also be prepared.
- e. Another list should provide village-wise, talukwise, (blockwise) projects/schemes under various agencies with maps and charts. This will ensure better monitoring and an integrated bird's eyeview of the whole process of development.
- f. Survey of available skills and resources and classifying them with reference to the type, occupation and opportunities in the district will give an idea of demand and supply situation.

## 27. INFRASTRUCTURE DEVELOPMENT

- a. Development of link roads, storage (warehouses) canning, transport and marketing facilities are very important. When every beneficiary becomes a production centre, the need for the supply to reach the right consumer is very important.
- b. In a dryland area, the strategy should be to maximize production in good rainfall years and minimize the losses when the rainfall is inadequate or during long dry spells. Other facilities for allied activities must be developed. The run off surface water from water

sheds (mini and micro) should be impounded through construction of nullahs, tanks, and percolation tanks. The stored water can be used through the pumpsets on the basis of community minor lift irrigation schemes.

- c. Optimum utilisation of water can also be achieved through sharing, soil conservation schemes, low cost lift schemes and allocating water to large number of small farmers. Water can be stored by building check bunds and farm-ponds at higher levels; then the water can percolate into the tanks at the lower level, so that water is available for a longer period than otherwise. It was seen that the present schemes were adhoc and piece meal. They were not properly planned to achieve optimum utilization. The authorities should also provide support system, which will enable beneficiaries of minor irrigation schemes of IRDP to reap full benefits.
- d. There should be a follow up education on different cropping patterns. The farmers should be encouraged to plant drought resistant varieties so as to cut down losses on account of dry spell or inadequate rainfall. They also be taught to change the cropping patterns based on soil suitability etc. Along with non-farm occupations, they should bring in dry lands under cultivation through other programmes.
- e. Pavement of streets and construction of drains in the villages should be linked to NREP, as this will improve the sanitary conditions of the village. This will enhance the health conditions and at the same time give wages to the beneficiaries. These projects should also be linked to the programmes of the Department of Social Welfare.

#### 28. A SOUND DELIVERY SYSTEM WITH THE FOLLOWING CHARACTERISTICS SHOULD BE DEVELOPED

- a. Should be nearer to the people - delivery point should be in the village or within a group of villages block office is far way for the rural poor to avail of its services. If the delivery point is near, it ensures more contact and dialogue.
- b. This delivery point should be integrated with reference to the delivery of the services. In our programmes, the services are scattered over many agencies and departments.
- c. Multiplicity of welfare service, offered by different departments have bewildered them and they were unable to distinguish and understand. They had to visit different delivery points for

different services, meet different officials and explain the whole case. This was too cumbersome and they preferred not to avail of the services. Sometimes they did not get certain services, which left them frustrated. Therefore, they have lost faith in the whole system and this should be rectified.

- d. The branch office of the bank serving the village/group of villages must be in the same premises as the other delivery points.
- e. In some of the economic and social services, there are problems of overlapping and conflict over jurisdiction, and this should be removed.
- f. Procedures and rules of the delivery system should be simplified. Inadequate and longer procedures cause undue delay and this has given scope for manipulation and nullified the good efforts on the part of the administration.
- g. Most of the weakness of the bureaucratic administration had entrenched the delivery system. Problems of red-tapism, rule-orientation, impersonal orders etc. were found in the delivery system. Therefore honesty and sincerity will have to be inculcated at all levels along with a commitment to serve the rural poor.
- h. Increased training particularly for project planners, extension agents development staff at the cutting edge-level is necessary to achieve the goal.
- i. A degree of flexibility in design is required and this should be in response to field experiences.(location specific).
- j. The delivery point should be an all encompassing one supply of inputs, providing extension education, solving problems, providing marketing and maintenance facilities etc.
- k. Appropriate technical and economic-socio packages for the villages and groups of individuals should be developed to suit requirements of the locale.
- l. The data system, earlier mentioned will be most helpful at this point, so that the basic data is with everybody.

## 29.APPLICATION OF SCIENCE AND TECHNOLOGY - TECHNOLOGY LINK

Application of Science and technology in the ISB Sector is very important. Rural based industries require a suitable mix of traditional



and modern techniques of manual and mechanical operations. The following actions are necessary to improve the technology base for the programme.

- (a) Artisan based industries should be revitalized and the existing technologies should be upgraded.
- (b) For optimum utilisation of farm and non-farm materials, new production oriented/process technologies should be introduced.
- (c) New technologies should be introduced for providing rural services and allied activities.
- (d) New technologies should be introduced for production of new consumer oriented products.
- (e) Non-conventional/alternate sources of energy should be developed through appropriate technology.
- (f) Confidence among the prospective customers, users and entrepreneurs, should be generated by preparing pre-investment profiles and project reports covering information on the technology, present status, future potential, equipment requirements, investment, unit cost of production and returns.
- (g) Application of science and Technology in rural areas, however, requires a different treatment especially to ensure involvement of the rural poor. Here, special care should be taken to ensure that the technology is transferred in a manner that is easily conveyed and assimilated by such users. Therefore, this does not stop with selection and adoption of the appropriate technology, but it requires support for successful adoption. Then only results can be ensured.
- (h) Processing of raw materials dispersed over scattered areas involves higher transfer/collection costs. Mini-technologies can help us to process these raw materials into semifinished or finished goods nearer the source of their availability. For example, viz. mini rice mill, mini maize mill, mini food processors for vegetables, pulse mill and wheat mill for bakery flour etc. Similarly farm products like fruits, vegetables and milk are items subject to deterioration due to temperature variation. It is worthwhile to process/preserve such perishables when they are in abundance. Efficient technologies have been adopted to preserve these in pilot programmes. But the transfer of technology has not been done to cover poor farmers. The technology for production of fiber board

from pine-needles can be used in Darjeeling which will also check environmental degradation in hill areas (as in Jammu, RRL). This will reduce the pressure on wood for packaging fruits besides providing a new avenue of employment to the hill people (one such unit has already been set-up in Himachal Pradesh also).

- (i) Technology for rural based industries should be combination of less sophisticated and small size operations. The technology specific to an industry should be developed in such a way that that different manufacturing operations could be separated as far as possible into well identified processes. This could be multiplied to achieve maximum employment generation and greater income at the village level. The units based on separable technological of intermediate products to semi-urban units for further processing reverse order if a sophisticated unit already exists. This division of labour can give rise to specialization. Such decentralised units at rural levels will lead to low unit costs with a relatively low overhead.

(j) **STRENGTHENING TRANSFER MECHANISM**

Rural based industries require a different treatment of interaction with technology. Pooling and integrating of thinly distributed resources calls for strengthening of technology transfer organisations and delivery mechanism. This may require development of a cadre of S&T Technology personnel to ensure technological service to rural industrialization with credibility and commitment. This may also require restructuring the district and block level functionaries.

- (k) Implementation of various models of rural industrialization based on technology inputs, though somewhat difficult, calls for setting up of a separate corporation. Rural craft and technology centres (in each block-radically opposed to the present white-collar technical culture) should be set up to meet the requirements of rural artisans who form 35-45 per cent of our population. District Rural Development Agency (DRDA) could be the converging point for technology transfer and diffusion at the district level, the counterpart agencies for providing technological services could be the District Industries (DIC), the Krishi Vigyan Kendras and the voluntary agencies. At the state level, agencies like State Councils of Science and Technology Institutes, (wherever they exist), and State Polytechnics could help. To develop an atmosphere for acceptance of technology based rural industrialization programme, it would be necessary to educate people through

extensive demonstration, and training (seeing is believing). There should be a long term campaign for promoting rural industrialization.

### 30. INFORMATION SYSTEM - COMMUNICATION LINK

Effective information management system at the district level is now a must. To this end, a centrally sponsored scheme for computerised system of data collection, analysis and information diffusion be set up in each district rural development agencies with a centralized link up at the State level. Such a computer should maintain an inventory of natural resources, assets, manpower availability and estimated demand for human resources. Specific project of rural industrialization could therefore be examined for locational availability of raw-materials, labour and market. Such a data system could help in establishing natural projects for a group of Districts/Blocks/Villalges.

### 31. THE ACTION

The total concept of our New Plan is that we try to execute changes in the rural areas to achieve both social development and increased productin in all possible sectors at the same time. The basic premise is that these are not mutually exclusive, but they are mutually reinforcing. The complementarity between the two is so high, that at sometimes one front cannot proceed beyond a point without the simultaneous or prior development in the other.

For e.g., when agricultural production is increased through development programmes, infrastructural development (roads, markets, and transport) are also essentail in order to reap higher benefits of bumper harvest. Post-harvest technology improvements are also necessary to enable the farmer to get better prices for the produce. If 50 per cent service, the farmer loses interest and there will not be any rural development. Therefore, we must also develop demonstration plots at village and taluk level.

Another important basic trend in IRDP is the special emphasis on the weaker section. It is not just only improving their level of living but also to increase their involvement in the development process. i.e. more creative and inovative process leading to a positive and optimistic livings.

So more production, more support systems, more employment, more income, equitable redistribution, and better life (with more than proportionate investment on the rural poor) are the expected results of

the IRDP programme - but in order to translate these objectives into realities synchronization is a must.

Assuming we have prepared the model plan to achieve this,

1. What are the resources required for these plans?

Money, Men, Machinery, Time.

2. How do you decide upon the amount of required resources of each category? -- both financial & physical.
3. Where do you require them? At what place?
4. At what point of time -- when?
5. Who are the change agents?

-- the State Govt?

-- the Central Govt?.

-- Voluntary organisations?

-- The rural beneficiaries themselves?

So basically, we have to decide upon these important factors.

As we all know, the sky is the limit for the high objectives and we have to be realistic in deciding how much we will achieve by what time period. To achieve the most idealistic end, it may never be possible in the given period of time given the constraints of time, money and other resources. Therefore, we have to peg our objectives.

For this, we have to fix our priorities for the given period of time.

In India, we have our five years plan periods, where we set the targets for each sector. Given the constraints, we may have to be selective in locating social and economic activities over space keeping in view the development of backward areas. We should have both functional and spatial integration.

We have been trying to achieve the specified targets (sector wise, function wise, area wise) in the form of schemes and programmes, focussed on the rural people.

But now, these programmes can be broken down into separate projects - a micro unit of independent activity, with specific investment costs and benefits and the beneficiary as the important, active person. When these projects are inter-related - they have to go on with a team-spirit, to be intermeshed, as if in a net work (simultaneously and sequentially) to achieve the final objective in time within the costs prescribed.

#### A. ASSESSMENT OF REQUIREMENTS

##### (1) PHYSICAL

- a) We have to be specific in our assessment. The need is different for different programmes. We also cannot have a uniform set of developmental programmes everywhere with due regard to the differential conditions existing in our country. The same programmes can also need different amount of resources in such circumstances.
- b) First we must take an inventory of resources available (block surveys) - human resources, skills, unemployment, minerals, natural resources.
- c) Present structure of occupation.
- d) Economic profile at present.
- e) Potentials, aspirations and expectations.
- f) Capacity of the rural people and motivation
- g) Social infrastructure- availability and aspirations- Education, Health, Housing, Watersupply, roads, transport, markets.

(B) Decisions on the targets to be achieved with a realistic approach in consultation with beneficiaries/people on the basis of the availability of financial and trained manpower resources.

- a. Formulate projects for with an eye on the availability of forward and backward linkages, manpower availability.
  - (i) Calculate the cost of investment
  - (ii) Calculate the recurring costs
  - (iii) Calculate the expected benefits.

- b. The need for training the official in project formulation, clearly identify the projects which can be really implemented.
  - c. Train project manpower, beneficiaries.
  - d. Timely availability of project inputs- linkage development.
  - e. Proper technology to be imparted so as to achieve a given productivity standards.
  - f. Provision of marketing facilities - post harvest processing facilities - to enable the rural masses to reap benefits.
- (C) At the same time the Local/State/Central Govt. should plan to improve and increase the support systems like roads, transport systems, marketing yards, power etc. to help them to achieve quicker results.
- (D) Monitoring and Evaluation- both physical and financial - with a feed back system to help us correct deviations and to go on further and further (like a thermostate) - Self evaluation by beneficiaries to egg them on - special incentives and motivation programme.

When the targets are given (which has been worked out based on the above said factors), we are in a position to calculate the financial requirements.

#### NATIONAL TARGETS

1. IRDP - subsidy amount for beneficiaries based on programme requirements.
2. Plan targets for infrastructure development - based on need. Here the share of Centre and States to be decided.
3. Which Department incurs how much for what scheme in which district/block to be clearly specified with time frame and also to be implemented as planned. The beneficiary's success depends on this. Special penalties for non-implementation should also be stated. Double incentives should be given for proper implementation.

## a) INFRASTRUCTURE

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District/block (Where) Name	Who Dept. Name	(How Much) Amount	Funds Respon- sibility	When
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Scheme 1

Scheme 2

## b) WELFARE

(i) Recurring expenditure (current/revenue)

(ii) Capital Expenditure -

At present, mainly all rural development programmes are capital expenditure programmes. The running/maintaining of the social infrastructure like schools, hospitals, roads, etc. should always be provided in the current budget of the State/District.

But what really happens is when new social improvements are made, the extra recurring expenditure for running them are not provided in the revenue budgets of the block/districts. For e.g., in a course of three or four years, the social infrastructure in a given block might have improved with additional hospitals, schools, first aid centres, better roads etc. Since these are not revenue oriented organisations (no need to talk of profits, when the revenue is zero) as they cater to the poor rural masses the additional expenditure provided in the revenue budget do not adequately cover the actual requirements and therefore the quality of programmes suffer, bringing down the whole system back to square one. Sometimes, it may be worse than where they started. For e.g., if irrigation dams and waterways are built in a particular year, and if the water systems at the field level are not maintained properly, after a passage of time, the fields may either be flooded or not get adequate water. We have cases of many primary health centres, primary schools etc. which are not run at all due to lack of funds. Sometimes either we have schools without adequate number of teachers or without basic facilities like black board etc. Then there is no enthusiasm or incentive to attend school, and the poor remain illiterate. We also have roads constructed under NREP, which have become very bad either due to bad raw materials or because we were not able to maintain it. This

also brings out the fact programmes which do not have adequate funds for proper implementation end as a waste of scarce resources.

Our present actions should aim at removing these dangerous situations. If we are going to build and rebuild the same roads/schools, etc. in our poverty alleviation programmes, it is simply going to be a waste of national resources and it is going to be a farce. So we should first aim at such type of social infrastructure developments, which can be maintained and run by the rural masses themselves for their own benefit. For e.g., a chilling centre at a nominal cost can be maintained easily. The provision of preprocessing and post-harvest facilities at a nominal cost will enable them to understand the importance of it. A benefit is well understood when they pay for it. A village/block school which imparts vocational training may be perpetual than a general school without students. A homeopathy or paramedical centre is better than an allopathy centre since the rural masses have faith in it. Mobile vans for health services (both human and veterinary) with their own village personnel may bring a change. It is necessary to have basic medicines required for saving a life.

The cost of such programmes for each department/function will have to be worked out in the block and aggregated at the district level. The manpower required should be estimated and trained. It is necessary to have the local personnel, interested in his own area development, as far as possible. Implementation and administrative planning will have to be carried out thoroughly and simultaneously. It is important to do a few programmes well than to do haphazardly a number of programmes. Then each department should also work out the working capital requirements for each year to maintain the support system. At present we have not worked out these working capital requirements, clearly and specifically, with reference to each and every programme and all figures were adhoc. This led to the failure of the schemes.

We should also identify the criteria by which the prospects for a particular programme may be judged as excellent, average or unavailable. At the same time we should also develop parameters to judge the capability of the organisational set-up. For e.g. the following criteria may be used to judge the prospects of new specific programmes:



1. Ratio of present programmes to population	Very high	Medium	Low
2. Literacy rate	Greater than $+1\sigma$	National average $+1\sigma$	Less than Low $-1\sigma$
3. Market distance	Too far	Medium distance	Near
4. Electricity/power availability	Excellent	Medium	Not Available
5. Training infrastructure	Excellent	Medium	Not Available
6. Service Availability	12-24 hrs.	4-12 hrs.	0-4 hrs.
7. Roads - Length per 1000 kms. of geographic area	Greater than $+1\sigma$ of national	average $+1\sigma$	Less - $1\sigma$ than national average
8. Resource base	Excellent	Medium	Low
9. Technology availability	Excellent	Medium	Not Available
10. Machinery availability	Excellent	Medium	Not Available
11. Ratio of expected production to expected incremental demand.	Greater than one	One	Less than one
12. Veterinary Doctor	Very high	Medium	Very poor
13. Fodder availability	Excellent	Medium	Very low

The above 13 sample characteristic may be used for rating the prospects.

Higher ratings can be given for better prospects and low ratings for poorer prospects. For e.g., if the market distance of a particular block is too far, then it will adversely affect the programme. Then it will be given a value of 1. A high rating for nearer market will be 3,

and a medium distance will be 2. Then we add all the ratings to calculate the potential of a programme, The maximum will be 3 times the number of characteristics. Then we can categorise the total integrated prospect for the programme as excellent, average or very low depending upon the score.

In the same way, organisational capability should also be classified as strong, average, or weak depending upon the situation. Few of the characteristics which will enable us to decide are:

1. Availability of trained personnel at the DRDA/BDO offices.
2. Availability of trained personnel in the bank branches
3. Vehicle availability with all the concerned personnel
4. Level of authority, sufficient administrative powers to take decisions
5. Willingness and Motivation (incentives)
6. Procedural Simplification
7. Monitoring Squad
8. Team work of the number of banks and other officials involved (cohesion)
9. Demonstration clinics.

Once we give ratings to the above organisational characteristics — higher ratings for strong (value 3), lower for weak (value 1) and mean value for average (value 2)— we will be able to add up and find the total integrated scores. This will be again classified as strong, average, and weak, depending upon the score.

Now we can draw the capability - potential matrix with 3 rows and 3 columns. The programme with a strong capability and excellent potential will be taken up first. If we have strong capability but thinking of a programme/scheme without any potential, we will drop the programme. If we have very low organisational capability and an excellent programme potential, we will train the team or change the team.

### POTENTIAL MATRIX

	Excellent	Average	Low
Strong	Very High	Develop the potential and achieve	Go to another Scheme
Average	Go ahead & train the team	Try hard to achieve	Drop the Scheme
Weak	Train management or change the team	Very difficult try hard through training	Innovate Build People Morale

The above matrix is self - explanatory.

As already discussed in order to develop the organisational capabilities training courses should be conducted to discuss a few model project profiles.

The working of the whole system should be carefully assessed by the field staff. The review should be used for further corrective action. At present there is an increasing realisation that appropriate utilisation of funds available is essential. At the field level joint efforts are being made by all the officials and organisations concerned.

Along with the above suggestions, the recommendations already made about the three support functions in the respective chapters (III, IV, V and VI) should enable us to establish a better system. Many of the recommendations already made in those chapters are not being repeated here in order to avoid unnecessary repetition. The recommendations with reference to staffing, training, organisation structure, methodology of working are all already contained in those chapters.

We hope the implementation of these suggestions will lead to better programmes and fuller utilisation of resources to achieve poverty alleviation.

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ANNEXURE - I

PROJECT: "ANALYSIS OF CREDIT LINKAGES IN  
IRDP". QUESTIONNAIRE FOR LEAD  
BANK/COMMERCIAL BANK/RIBs

INDIAN INSTITUTE OF PUBLIC ADMINISTRATION  
NEW DELHI

1. Name of the Bank.
2. Location.
3. Type of office - branch office/cooperative/RRB/any other
4. Type of credit facilities provided.
  - a) Term loan :
    - I)
    - II)
    - III)
    - IV)
  - b) W. Cap Loan :
    - I)
    - II)
    - III)
    - IV)
5. Particulars of IRDP Loan.

Table 5 (a)

Year	No. of families	SC/ST	Financial Requirements	
			for SC/ST	for others
1981-82				
1982-83				
1983-84				
1984-85				

Table 5 (b)

Year	No. of families	SC/ST	Financial assistance given	
			SC/ST	others
1981-82				
1982-83				
1983-84				
1984-85				

6. Subsidy:Table 6 (a)

Year	Subsidy received	Used
1981-82		
1982-83		
1983-84		
1984-85		

Table 6 (b)

Scheme wise	No of units	Amount of loan	Subsidy	No of bene- ficiaries	SC/ST
<hr/>					
1981-82					
Agriculture					
Forestry					
Allied activities					
Rural Artisan					
Service & Business					
Other					
<hr/>					

Table 6 (c)

Scheme wise	No of units	Amount of loan	Subsidy	No of bene- ficiaries	SC/ST
<hr/>					
1982-83					
Agriculture					
Forestry					
Allied activities					
Rural Artisan					
Service & Business					

Table 6 (d)

Scheme wise	No of units	Amount of loan	Subsidy	No of bene- ficiaries	SC/ST
<hr/>					
1983-84					
Agriculture					
Forestry					
Allied activities					
Rural Artisan					
Service & Business					
Other					
<hr/>					

Table 6 (e)

Scheme wise	No of units	Amount of loan	Subsidy	No of beneficiaries	SC/ST
<hr/>					
1984-85					
Agriculture					
Forestry					
Allied activities					
Rural Artisan					
Service & Business					
Other					
<hr/>					



7 (a) Wheather the list of expected IRDE beneficiaries circulated to you in advance - if yes how many days in advance?

(b) Also to the concerned agencies/departments.

8. Your comment on the type of beneficiaries selected?

9. In your opinion, if the right beneficiaries are not selected then what is the reason for wrong selection of the beneficiaries?

a. Non - availability of individuals

b. Friendship

c. Relations

d. Other considerations

10. Wheather Vikas patrika was issued- updated

#### ANNUAL PLANS AND FIVE YEAR PLANS

1. Wheather the 5 years plan for the district/block has been prepared by DRDA?

Wheather it is available with you?

When was it available?

2. What are the agencies involved in the preparation of five year plans?
3. Whether there is an annual development plan for the District/Block? Is it available with you?
4. Whether annual plan actually indicates the functional linkages for activities under IRDP and the agencies involved in providing the same?
5. Were you associated in the preparation of five year Plan and annual plan? if so, in what way?
6. If you have any doubt about these documents, how do you get them clarified, modified or improved? - explain in detail with specific points?
7. What action is taken by DRDA in this regard after discussions?

#### DISTRICT CREDIT PLAN

1. Whether the DCP and AAP was formulated by your bank? If not, what was your bank's role?
2. If you need any clarification, modification, reallocation of credit, how do you go about it? (separate details for Lead Bank, other bank branches)
3. Does the Lead Bank help you with reference to No (2)? If so how it is done?
4. Whether DCP and DRDP are integrated? what are your comments?

4.(a) How you think the coordination can be improved?

4(b) Do you think the system of coordination is effective?

5. Do you have separate targets (number/amount) for IRDP? Do you keep the IRDP information in Separate ledger?

6. Give details of IRDP targets fixed, achieved for the last 3 years.

NO. SCHEMES	1982-83		1983-84		1984-85	
	Target achieved		Target achieved		Target achieved	
	No Amt.	No Amt.	No Amt.	No Amt.	No Amt.	No Amt.
1						
2						
3						
4						

7. Do you have separate targets for IRDP support development in DCP? How it is fixed - details of last 3 years.

Support	1982-83		1983-84		1984-85	
	Target actual		Target actual		Target actual	
	No Amt.	No Amt.	No Amt.	No Amt.	No Amt.	No Amt.

8. Percentage of non-availability of the facilities leading the difficulties.

- a) Veterinary Hospitals - How many - Distance
- b) Markets - how many - Distance
- c) Irrigation - power - regularity
- d) Raw materials - Whole Sale Markets.
- e) Transport - Bus Service - All weather roads.
- f) Insurance facilities-
- g) Bank facilities - how many - distance
- h) Ware housing/ storage
- i) improved agricultural implements.

9. If supporting linkages are not available

- a) Who should develop it?
- b) Why did they give loan to that scheme if the linkage was not available?
- c) If supportive linkage had been promised by a particular agency, how do you monitor their commitment? Is it possible, comment?

10. No. of banks in the block :

	Bank	Branches	Population covered
1.			
2.			
3.			
4.			

IDENTIFICATION

1. Who identifies the beneficiary?
2. Is it in the credit camps?
3. Do you (Bank) participate in identification?
4. What role do you play in assessing the beneficiary before sanction:
  - a) Belongs to below poverty line
  - b) He wants that particular project.
  - c) Whether he is capable or has the ability to manage the asset - how do you judge?
  - d) Do you educate him about repayment, interest, - subsidy etc.
5. Whether proper records of applications received/sanctioned/pending/rejected are kept in branch office/DRDA and Lead Bank? Do they submit this statement to the Head Office.
6. Are there cases in which earlier reject cases have been considered and loan sanctioned? Give reasons :
7. At what levels the applications were rejected :

Table 7 (a)

Scheme	No. of loan applications received		Pending		Rejected	
	No.	Amount	No.	amount	No.	amount
1981-82	1					
	2					
	3					
	4					

Table 7 (b)

Scheme	No. of loan applications received		Pending		Rejected	
	No.	Amount	No.	amount	No.	amount
1982-83	1					
	2					
	3					
	4					

Table 7 (c)

Scheme	No. of loan applications received		Pending		Rejected	
	No.	Amount	No.	amount	No.	amount
1983-84	1					
	2					
	3					
	4					

Table 7 (d)

Scheme		No. of loan applications received		Pending		Rejected	
		No.	Amount	No.	amount	No.	amount
1984-85	1						
	2						
	3						
	4						

## 8. Reasons for rejection:

Scheme	Reasons
1	
2	
3	
4	

## 9. In what way do you think the DRDA can help the beneficiaries at this stage, so that the applications may not be rejected.

a.

b.

c.

d.

## 10. Average time for loan sanction

Scheme	Time in days
1.	
2.	
3.	
4.	

## 11. How many times the beneficiary has to meet the DRDA, bank officials before the loan is sanctioned?

Scheme	Bank	DRDA
1.		
2.		
3.		
4.		

## 11.(a) Time delay in receiving the money.

## 12. (a) Total investment required.

(b) Total investment less subsidy.

(c) Whether loan+subsidy is disbursed.

## 13. How do you satisfy yourself with reference to double financing: getting money from different blocks and different banks.

a. Scheme wise

b. Bank wise



13.(a) Are there such cases in your area of operation.

14. Average amount of loan:

	Value	Term loan	W.Cap loan	Composite loan
1981-82				
1982-83				
1983-84				
1984-85				

15. (a) How do you fix the instalments of repayment?

(b) When does the repayment start from the date of first issue of loan?

Scheme	Period
1.	
2.	
3.	
4.	

16. Number of certificates required at the time of sanction?

17. Surety for loans below Rs. 5,000/-?

18. Whether field officials meet the beneficiaries to check on the usage of assets and its continuous operation? How often?

19. (a) How many improper utilisation?
- (b) What action do you take?
- (c) What are the problems faced?
20. How the action/in action of DRDA, developmental agencies which may have resulted in improper utilisation of loan - their nature and specific effect on the bank?
21. (a) Details of the procedure followed by the DRDA in releasing the subsidy.
- (b) Is it satisfactory?
- (c) Any suggestions to improve the procedure?
- (d) Non-utilisation of subsidy. reasons.
22. The loan agreement of the bank with the IRDP borrowers for which amount.
- a) loan
- b) loan subsidy
- c) Whether there is a separate agreement with DRDA for subsidy amount.

REPAYMENT/MONITORING/COORDINATION1. (a) Over dues in IRDP (Bankwise)

Schemes	more 6 months		12 months		18 months		24 months		above than 24
	No.of a/cs	amt.	No.of a/cs	amt.	No.of a/cs	amt.	No.of a/cs	amt.	
1.									
2.									
3.									
4.									
5.									
6.									
7.									

1. (b) Over dues in IRDP (Blockwise)

Schemes	more 6 months		12 months		18 months		24 months		above than 24
	No.of a/cs	amt.	No.of a/cs	amt.	No.of a/cs	amt.	No.of a/cs	amt.	
1.									
2.									
3.									
4.									
5.									
6.									
7.									

## 2. How do you follow-up the activities give details?

3. Do you send timely information to borrowers about repayment?
4. How frequently your staff visit the borrowers?
5. What help you get from VLW/BDO with reference to recovery?
6. Suggestions for improvement?
7. What is the position for recovery in banks:

Schemes	less than 6 months		more than 6 months		more than 12 months		more than 18 months	
	No.of a/cs	amt.	No.of a/cs	amt.	No.of a/cs	amt.	No.of a/cs	amt.
Agriculture								
Industries								
Other								

#### MONITORING

1. How do you monitor an IRDP loan? What is the procedure?
2. Details of statements submitted by your branches to controlling authorities in respect to IRDP, DCP?
3. How does your coordination machinery between banks/DRDA/BDO work? Give details?
4. (a) What is your experience?  
(b) How often you meet?

(c) Who holds the meetings?

(d) Are they regular?

(e) Dates of DCC/DLPH meetings.

Year	No. of meetings	Dates	No. of members	Who was the bank official	DRDA official
1982-83					
1983-84					
1984-85					

5. Who are the other important village people who attend these meetings:

1. Doctor
2. Teacher
3. Sarpanch
4. Village revenue officer
5. BDO
6. Bankers
7. Insurance agents
8. Social Workers

6. Try to get minutes of the last 4 meetings (1 year).

#### VIABILITY

1. How do you derive the projects' expected income and repayment schedule?
2. Do you accept DRDA's criteria? Or do you carry out your own assessment?

3. Whether there is any difference between DRDA assessment and bank's assessment? How large is the divergence? In which scheme?

	Scheme	DRDA	Bank	Reasons
1.				
2.				
3.				
4.				

4. What are the areas of divergence-reasons?

5. Staff strength of the branches - for DRDA also.  
Number

1. Branch Manager
2. Field Officers
3. Agricultural Assistants
4. Officers
5. Clerks
6. Cashier
7. Peons

6. What is the norm in your bank for staff strength?

- (a) No. of accounts
- (b) Value of accounts
- (c) Area covered
- (d) Population concerned
- (e) Volume of production in the block

7. Is the staff in your branch is adequate? If not, how much extra:

No-                      Officers                      -?                      Clerks                      ?

8. Have IRDP accounts resulted in additional work load? How many attended to IRDP accounts?

9. Do you require more staff for IRDP accounts?

10. (a) Do you have adequate discretionary powers vested in branch level?

(b) What are your powers?

(c) Are they adequate to handle the IRDP loans? Give comments.

11. What is the reaction of staff towards IRDP beneficiaries?

(a) Involvement

(b) Enthusiasm

(c) Imposition

(d) Does not care

12. (a) Do your authorities send regular guide lines for handling IRDP accounts?

(b) Are they adequate?

(c) Do you need more clarification in any area?

13. Have you/your staff attended any programme on IRDP. If so give details?

14. Do you think that such training programmes will help in implementation? If yes, how?

15. What are the IRDP problems:

- (a) Procedural
- (b) Difficulties in sanction
- (c) Difficulties in monitoring and supervision
- (d) Difficulties in recovery
- (e) Attitude of beneficiaries
- (f) Inter agency coordination
- (g) Identification of beneficiaries
- (h) Selection of viable schemes
- (i) any other

16. Banks credit deposit ratio:

Year	Total Deposit	Total advances
1981-82		
1982-83		
1983-84		
1984-85		



ANNEXURE - II

PROJECT: "ANALYSIS OF CREDIT LINKAGES IN IRDP:"

QUESTIONNAIRE FOR DRDA/BDO

INDIAN INSTITUTE OF PUBLIC ADMINISTRATION  
NEW DELHI

FOR DRDA OFFICIALS & B.DO'S

1. (a) Did you prepare an inventory of local resources -

Yes/No

- (b) If yes when was it last prepared - give details -

- (c) If not, why they did not do it.

2. Review of the programmes of all agencies supporting IRDP Resource Survey -

- (a) Was it done?      (b) When      (c) Who did it?

Resource of the block	Programme	Org/Dept. Concerned	Comments/ Resources
1.			
2.			
3.			
4.			

3.a. (b) How are the programmes monitored by agencies?

b. Funding of these programmes and concurrence of funding agencies - if yea.

Programme	Org/Dept. Concerned	Comments & Resources
1.		
2.		
3.		
4.		

c. Expected effect of these programmes and actual fall out.

d. Inter action between two or more programmes and its results.

4. How the programmes are linked to DDP?

5. A list of the on going/planned schemes in the district along with required support facilities, whether support facilities are available or not, & if not when expected.

6. Was the Standing Committee (SC) of the District Consultative Committee (DCC) set up?

7. Was the DCP prepared by the SC of the DCC by the Regional/Zonal/Head Office of the bank?

8. Is there any instance when you were able to achieve your point. Did you know the reasons behind the plan?

(a) Type of programmes and its details.

(b) The amount of credit required.

(c) The budget necessary.

(d) Time frame.

(e) Responsibility - the persons involved.

9. Do you prepare a block development plan sector wise?

(a) Did you have training in planning any time?

(b) Is there any help from Colleagues/Superiors?

(c) Do they call you when your organisation meet to discuss about preparation of the same?

(d) Do you find out about the block wants/Needs?

10. How do you develop schemes that are inter-supportive?

11. Were the district development plans along with blockwise plans and with breakup data of different programmes available before the banks finalised the DCPs?

12. (a) Staff strength of the office

1. Officers
2. Field Officers
3. Agricultural Assistants
4. Village Level Workers
5. Clerks
6. Others.

- (b) What is the norm in your office for staff strength?

1. Area covered
2. Population covered
3. Volume of production in the block
4. Any other.

- (c) Is the staff in your office is adequate? If not how much extra needed?

No. Officers -                      ?                      Clerks -                      ?

- (d) Have the IRD programme resulted in additional work load? How many attend to IRDP work?

(e) Do you require more staff for IRDP?

13. (a) Do you have adequate discretionary powers?

(b) What are your powers?

(c) Are they adequate to handle IRDP? Give comments.

14. What is the reaction of staff towards IRDP beneficiary?

(a) Involvement

(b) Enthusiasm

(c) Imposition

(d) Does not care

15. Do your authorities and regular guidelines for handling IRDP accounts?

(a) Are they adequate?

(b) Do you need more clarification in any area?

16. Have you/your staff attended any programme on IRDP - If so give details?

17. Do you think that such training programmes will help in implementation? If yes how?

18. What are the IRDP problems?

(a) Procedural

(b) Identification of beneficiaries.



- (c) Selection of viable schemes.
- (d) Attitude of beneficiaries.
- (e) Inter agency coordination.
- (f) Difficulties in monitoring and supervision.
- (g) Difficulties in recovery.
- (h) Difficulties in sanction.
- (i) Any other.

HOUSE HOLD SURVEY:

1. (a) When was the house hold survey done?

(b) Whether bankers were involved in the survey?

(c) How the survey is conducted? (Get a survey form).

(d) Which age group for which scheme - are there any preferences?

(e) No. of women beneficiaries?

2. How are the family plans made? Who were involved? Were they allowed to express their opinions?

(a) Future earning plans?

(b) Past experience - family occupation?

(c) Plans for younger generation?

(d) Plans for women/girls?

(e) Required finance - how do they get it? Do they have any idea about bank loans, subsidy etc.

(f) Do they have the capacity to generate income if they become beneficiaries? Their educational profile, motivation to work etc.

(g) How to connect the family plans to the schemes of the development agency?

ANNUAL CREDIT PLANS:

1. While preparing the Annual Credit Plan do you take the NABARD/ARDC Criteria of unit cost of projects into account?

(a) Whether the unit cost given by ARDC/NABARD is relevant to the inflation aspect - location aspect etc.

(b) If aspects of 'a' is taken into account then how the new calculation is done?

(c) If aspects in (a) are not taken into account what are the problems? Can you specifically give examples of cases.

(d) If the money given is less than ARDC criteria, why was it less?

2. Were the credit demand projections based on past performance or on the expected development plans and programmes?

3. What is the procedure for assessing the district credit need? Is it programme wise need, block wise need or any other?

4. Is there any technical help to the beneficiaries

(a) In managing their assets?

(b) Do they have counselling officers or sessions?

(c) Are they encouraged to bring in their problems?

5. What are the on going schemes - their details

	On going schemes	No. of beneficiaries	Loan amount
a.			
b.			
c.			
d.			
e.			
f.			

6. What are the infrastructural/technical linkages available for each scheme?

	Scheme	Available	Not available
a.			
b.			

7. If linkages are not available.

(a) Who should develop it?

(b) Why did they give loan to that scheme if the linkage was not available?

(c) If supportive linkage had been promised by a particular agency how do you monitor their commitment. Is it possible?  
Comments.

8. What are the new schemes?

New Schemes	Plans of Banks	Plans of DRDA	Whether they match or not.
-------------	----------------	---------------	-------------------------------

a.

b.

c.

9. Whether supporting facilities have been developed?

---

Schemes	Developed	Not Developed
---------	-----------	---------------

---

a.

b.

c.

d.

---

(a) If not developed, who is to develop?

(b) Why the loan is sanctioned without the supporting facilities?

10. Whether all these above things are taken into consideration before finalising AAP 1985, as required by RBI:

(a) If so who are the participants?

(b) If not why?

(c) Then how did they finalise or is it still in the process?

11. After finalising the AAP, how it has been allocated to different bank branches and different blocks -

(i) On the basis of schemes?

(ii) No. of beneficiaries?

(iii) Availability of supportive services?

(b) Have they been done according to distributional justice, with certain basis as area, population, industry, viability, or some other criteria?

(c) When was each branch informed of its share? Does every branch manager gets a copy of the AAP with particular reference to his area of operation?



12. IMPLEMENTATION:

(i) Responsibility fixation - whether a particular individual has been assigned a particular programme and held responsible for its working.

(ii) Time Schedule - has it been framed.

(iii) Credit work shops - how they are conducted?

(iv) Whether the list of beneficiaries is put up every quarter at DRDA/Bank branch along with the scheme? Timing - when

13. Problem with reference to Banks Calander Year and DRDAs financial year?

14. Vikas Patrika - whether printed and given - Credit passbooks - whether printed and given and up dated?

15. EDUCATION:

(a) No. of schools in the block?

(b) No. of children attending school?

16. What is the procedure of training the IRDP beneficiaries about the schemes, subsidy, loan, insurance, repayment, interest etc.

17. Are there any cooperative structure in the district? What are they? Are they functioning or defunct?

17. (a) If they are functioning, do they get credit for IRDP through these cooperative Institutions. If not what are the problems?

18. Whether DRDA, Block Officials meet the beneficiaries to check on the usage of assets, and its continuous operation? How often?

19. If not whether concerned departmental or bank officials are visiting to check on the operations?
20. Whether every village of each block is concerned with the same bank or other?
21. In the district what is the longest distance between a bank in a village?
22. (a) No. of banks/block population
- (b) No. of banks/District population.
- (c) No. of banks/block area.
- (d) No. of banks/District area.

## Annexure III

Code BookProject - "Analysis of Credit Linkages in IRDP"Card IBanks

Page No.	Q.No.	Details of the Question	No. of Col.	Col.No.
1.	1	Name of the Bank	2	1,2
1	2	Location:		
		a. State	1	3
		1. ORISSA - Ganjam - 1 Puri - 2		
		2. W.Bengal - NADIA - 3 DARJEELING - 4		
		3. KARNATAKA - TUMKUR - 5 - MYSORE - 6		
		b. District	1	4
		c. Block	2	5,6
		Card No.	1	7
1	3	Type of Office		
		Lead Bank	1	
		Com.B.Branch Office	2	
		Cooperative Bank	3	1 8
		RRB	4	

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
1	4	Type of credit facilities provided	1	9
		<u>Credit Facility</u>		
		Only Term Loan	1	
		Only W. Cap Loan	2	
		Both (composite)	3	
		any other	4	
		No credit facility	5	
		<u>Annual Action Plans</u>		
7	1	Whether the 5 years plan for the district/block has been prepared by DRDA?	1	10
		1. Yes		
		2. No		
		8. Uncertain		
		9. Doubtful		
		Whether it is available with you?	1	11
		1. Yes		
		2. No		
		8. Uncertain		
7		When was it available	1	12
		1. Very early (2 years back)		
		2. Last year		
		3. Very late (just now)		
		8. Uncertain		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
7	2	What are the agencies involved in the preparation of five year plans?	1	13
		<u>Number of agencies</u>		
		1. 1 Agency		
		2. 2 Agencies		
		8. Uncertain		
		3. more than 2 agencies		
		4. Uncertain		
7	3	Whether there is an annual development plan for the District/Block? Is it available with you?	1	14
		1. Yes		
		2. No		
		3. Doubtful		
		Available with you	1	15
		1. Yes		
		2. No		
		8. Doubtful		
7	4	Whether annual plan actually indicates the functional linkages for activities under IRDP and the agencies involved in providing the same?	1	16
		1. Yes		
		2. No		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
8	5	<p>Were you associated in the preparation of five year plan and annual plan?</p> <p>1. Yes</p> <p>2. No</p> <p>8. Sometimes</p>	1	17
8	6	<p>You have any doubt about these documents.</p> <p>1. Yes</p> <p>2. No</p> <p>3. Sometimes</p> <p>How do you get them clarified, modified or improved explain</p> <p>1. contact Regional Office</p> <p>2. consult DRDA/Block</p> <p>3. Through BLOC</p> <p>4. consulting Lead Bank and concerned department</p>	1	18 19
8	7	<p>What action is taken by DRDA in this regared after discussion?</p> <p>1. Action</p> <p>2. No action</p> <p>8. Doubtful</p>	1	20

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
		If answered	1	21
		1. Through Lead Bank the matter is desired		
		2. Necessary corrections are made by DRDA		
8	1	Whether the DCP and AAP was formulated by your bank?	1	22
		1. Yes		
		2. No		
		8. Uncertain		
	1(ii)	What was your bank's role	1	23
		1. Our Regional Office is associated in this		
		2. Being a Lead Bank we formulate the DCP & AAP		
		3. Only participate in planning and to implement it		
		4. No role by our bank		
		8 Uncertain		
8	2(ii)	Do you need any clarification, modification, reallocation of credit?	1	24
		1. Yes		
		2. No		
		3. NO clarification required		
		4. Uncertain		



Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
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How you go about it.

1. Discuss with our Head Office 1 25

2. Refer to Lead Bank

3. Discuss with BDO/DRDA

4. Raise in BLCC & DLCC meetings

9 4(i) Whether DCP and DDP integrated? 1 26

1. Yes

2. No

3. Doubtful

4(ii) What are your comments

1. We execute schemes as per 1 27  
instructions or requirements

2. No coordination of DCP,DDP at the  
preparatory stage;

3. In some projects they are linked

9 4(a) How you think the coordination can be 1 28  
be improved?

(1)Block level planning instead of pl-  
anning of District level.

(2) By personal rapport and mutual coo-  
peration.

(3) Banks should be given due improtance.

(4) In the preparation of DDP, Banks sho-  
uld be consulted.

(5) Participation of the bankers at the  
VLCC.

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
		(6) By conference of bankers.		
		(7) BDO's should take more interest.		
		(8) Block level coordination.		
		(9) Doubtful		
	4(b)	Do you think the system of coordination is effective?	1	29
		1. Yes		
		2. No		
		3. Not always		
9	5	Do you have separate targets (number/amount) for IRDP?	1	30
		1. Yes		
		2. No		
		8. Some cases		
		Do you keep the IRDP information in Separate ledgers?	1	31
		1. Yes		
		2. No		
		8. Sometimes		
11	8	Percentage of non-availability of the facilities leading the difficulties.	18	32 to 49
		Availability of the facilities		
		1. More than adequate		
		2. Adequate		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
		1. Veterinary hospitals	-1+1	
		2. Markets	-1+1	
		3. Irrigation	-1+1	
		4. Raw materials	-1+1	
		5. Transport	-1+1	
		6. Insurance	-1+1	
		7. Bank facilities	-1+1	
		8. Ware housing/storage	-1+1	
		9. Improved agricultural implements	-1+1	
11	9	If supporting linkages are not available	1	50
		a) Who should develop it?		
		1. Central Government		
		2. District authorities or DRDA		
		3. BDO		
		4. State Government		
		5. Ambiguous		
		6. Cooperative sector		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
		b) Why did they give loan to that scheme if the linkage was not available?	1	51
		1. To achieve targets		
		2. Directions from the Regional office		
		3. For the development of the rural area		
		4. No loan is given without support		
		8. Uncertain		
5	7(a)	Whether the list of expected IRDP beneficiaries circulated to you in advance	1	52
		1. Yes		
		2. No		
		8. Sometimes		
		if yes, How many days in advance	1	53
		15 days - 1		
		15 days - 1 month - 2		
		1 - 2 months - 3		
		more than 2 months - 4		
	7(b)	Also to the concerned agencies/ departments.	1	54
		1. Yes		
		2. No		
		8. Uncertain		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
5	8	<p>Your comment on the type of beneficiaries selected</p> <ol style="list-style-type: none"> <li>1. Right selection of beneficiaries</li> <li>2. Wrong selection of beneficiaries</li> <li>3. Friendship and relation</li> <li>4. Political interference</li> <li>5. Non-involvement of banks</li> <li>6. Right selection of beneficiaries but scheme not properly allocated.</li> </ol>	1	55
<u>IDENTIFICATION</u>				
12	1	<p>Who identifies the beneficiary?</p> <ol style="list-style-type: none"> <li>1. Block Office</li> <li>2. Bankers &amp; Block Jointly</li> </ol>	1	56
13	2	<p>Is it in the credit camps?</p> <ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>	1	57
12	3	<p>Do you (Bank) participate in identification?</p> <ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>3. Uncertain</li> </ol>	1	58

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
13	4	What role do you play in assessing the beneficiary before sanction :	1	59
		a) Belongs to below poverty line		
		1. Yes		
		2. No		
		3. Uncertain		
		b) He wants that particular project	1	60
		1. Yes		
		2. No		
		3. Uncertain		
		c) Wheather he is capable or has the ability to manage the asset	1	61
		1. Yes		
		2. No		
		3. Uncertain		
		How do you judge	1	62
		1. Field inspection		
		2. Traditional occupation		
		3. Viability of the project		
		4. non-involvement of the banks		
		5. personal integrity or past dealings		
		6. Training about the scheme		
		7. Availability of Infrastructural facilities		
		8. Uncertain		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
		d) Do you educate him about repayment, interest,- subsidy etc.	1	63
		1. Yes		
		2. No		
		3. Uncertain		
13	5	Whether proper records of applications received/sanctioned/pending/rejected are kept in branch office/DRDA and Lend Bank? Do they submit this statement to the Head Office?	1	64
		1. Yes		
		2. No		
		3. Uncertain		
14	6	Are there cases in which earlier cases have been considered and loan sanctioned?	1	65
		Earlier cases of rejection		
		1. Yes		
		2. No		
		3. No answer		
		If Yes reasons	1	66
		1. Defaulter		
		2. Scheme not viable		
		3. Due to Banks internal work		
		4. Technical grounds		
		5. Not applicable		
		6. Uncertain		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
6	10	Wheather Vikas patrika was issued - updated	1	67
		a) Vikas Patrika issued		
		1. Yes		
		2. No		
		3. Uncertain		
		b) Updated	1	68
		1. Yes		
		2. No		
		3. Uncertain		



Code BookProject - "Analysis of Credit Linkages in IRDP"

## Card II

Banks

Page No.	Q.No.	Description	No. of Col.	Col.No.
		Bank Identification No.	2	1-2
		State Identification No.	1	3
		District Identification No.	1	4
		Block Identification No.	2	5-6
		Card Identification No.	1	7
16	10	Average time for loan sanction	10	8-17

## Scheme - Agriculture - 1

Animal Husba - 2  
ndryAgriculture - 3  
& allied

5\*2 Rural Artisan - 4

ISB - 5

Time - 0-7 days - 1

8-14 days - 2

15-1 month -3

more than -4  
1 month

Page No.	Q.No.	Details of the Question	No. of Col.	Col.No.
16	11	How many times the beneficiary has to meet		
		<u>Scheme</u> <u>Time</u> <u>Bank &amp; DRDA</u>		
		Agriculture - 1	15.	18-32
		Animal Husbandry - 2		
		Agriculture & allied -3		
		Rural Artisan - 4		
		ISB - 5		
16	11a	time delay in release of money	1	33
		1 - 0 -7 days		
		2 - 8 - 14 days		
		3 - 15 - 1 month		
		4 - more than 1 month		
		5 - Uncertain		
18	15a	Fixing the instalments	1	34
		1. As per bank guidelines		
		2. According to the schemes		
		3. Net income from the schemes		
19	16	No. of certificates	1	35
		(1) Number		
		(2) Uncertain		
19	17	Surity asked	1	36
		1. Yes		
		2. No		
		3. Uncertain		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
19	18	Field officials meeting the beneficiaries	1	37
		1. Yes		
		2. No		
		3. Uncertain		
		once in a week - 1	1	38
		twice in a week - 2		
		thrice in a week - 3		
		once in a month - 4		
		More than a month - 5		
19	19b	Action - 1	1	39
		No action - 2		
		Uncertain - 3		
20	20	Result of action or in action of DRDA	1	40
		1. No action by DRDA.		
		2. DRDA should have specific guidelines for recovery.		
		3. Legal action should be taken against the beneficiaries.		
		4. Wrong selection of beneficiaries by DRDA sometimes result in the release of loan to people who do not deserve it.		
		5. Results in non recovery of loans.		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
20	21a	Procedure of DRDA in releasing the subsidy	1	41
		1. Delay in release of subsidy		
		2. Details of procedure followed by DRDA not known		
		3. Follow the guidelines		
		4. Subsidy is released in advance		
		5. After getting utilisation certificate		
	21b	Is it satisfactory	1	42
		1. Yes		
		2. No		
		3. Uncertain		
22	2	Follow up	1	43
		1. Personal contacts with the borrowers		
		2. Checking of securities		
		3. Through correspondence		
		4. Pre and Post inspection		
		5. Notices issued		
		6. Field approach		
		7. Legal action		
		8. Joint village level meeting of the Bankers and the block officials with the beneficiaries		
		9. Uncertain		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
22	3	Timely information	1	44
		1. Yes		
		2. No		
		3. Uncertain		
23	4	frequency of the visit	1	45
		15 days - 1		
		16 days - 1 month - 2		
		1 month - 2 month - 3		
		more than 2 months - 4		
23	5	Help from VLW/BDO	1	46
		1. Yes		
		2. No		
		3. Uncertain		
23	6	suggestion for improvements in recovery	2	47,48
		1. Involvement of Government machinery in recovery.		
		2. Subsidy should be released after the part repayment of the loan is made.		
		3. Recovery camps to be held every month. Participants should be banks, blocks and DRDA.		
		4. Action to be taken against defaulters and for misutilisation of funds.		
		5. More staff and vehicle required.		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
		6. BDO/VLW should be given targets for recovery and they should be given some incentives for achieving the target.		
		7. Imparting of education about the loan procedure and the repayment and the programme to the borrowers.		
		8. Legal powers to be given to the managers for misutilisa- tion.		
		9. Coordination between Banks, Government officials and political leaders.		
		10. No Political intereference.		
		11. Rephasement of loan or recovery law to be simplified.		
		12. Use of mass media to educate the beneficiaries about recovery.		
24	3	Coordination between Banks, DRDA & BDO	1	49
		1. No coordination between Banks, DRDA or Block regarding selec- tion and recovery.		
		2. By personal contacts and reg- ular visit when necessary.		
		3. Though BLCs meeting.		
		4. Bank submit subsidy utili- sation certificates to the DRDA.		

Page No.	Q.No.	Details of the Question	No.of Col.	Col.No.
	4a	Experience		
		1. No coordination - exists on paper not in practice	1	50
		2. Meeting - a formatily		
		3. Meeting not held regularly		
		4. Proper coordination existing between banks and officials		
25	5	Important people attending the DCC and DIRM meetings	1	51
		(1) 1. Doctor 2. Serpanch 3. Village revenue office 4. BDO 5. Bankers		
		(2) 1. Doctor 2. Serpanch 3. Village revenue office 4. BDO 5. Bankers 6. Teacher 7. Insurance agents 8. Social worker		
27	4	Area of divergencies	1	52
		(A) 1. Yes 2. No 3. Uncertain		
		(B) Difference in unit cost of ISB Sector	1	53
		1. Yes always. 2. No 3. Sometimes		

CODE BOOKPROJECT - "ANALYSIS OF CREDIT LINKAGES IN IRDP"CARD IIIBANK

	No. of columns	Col. No.
I. Staff strength of the branches		
1. Officials - 2 col.	2	8-9
2. Lower level - 2 col.		
1. 1,2,3,4,5,		
2. More than 5		
8. Uncertain		
II. What is the norm in your bank for staff strength?	1	11
1. No. of accounts		
2. Value of accounts		
3. Areas covered		
4. Population covered		
5. Volume of production in the block		
6. All the factors		
8. No. norms.		
III. Is the staff in your branch adequate? 1		11
1. Yes		
2. No.		
9. Uncertain		



How much extra you need - 1 col.

1. Officer - number - 2 col. 2 12-13

2. Clerks -

3. No need -

IV. Have IRDP accounts reesulted in additional work load? 1 14

1. Yes

2. No

8. Uncertain

How many attend to IRDP accounts? 1 15  
Number:

1 - Two

2 - Three

3 - Four

4 - Five

5 - More than 5

8. Uncertain

V. Do you require more staff for IRDP accounts? 1 16

1. Yes

2. No

8. Uncertain

VI. Do you have adequate discretionary powers vested at branch level? 1 17

1. Yes

2. No

8. Uncertain

VII. What is the reaction of staff towards IRDP beneficiaries?	1	18
1. Involvement		
2. Enthusiasm		
3. Imposition		
4. Does not care		
VIIa) Do your authorities send regular guide lines for handling IRDP accounts?	1	19
1. Yes		
2. No		
3. Uncertain		
b) Are they adequate?	1	20
1. Yes		
2. No		
3. Uncertain		
c) Do you need more clarification in any area ?	1	21
1. Yes		
2. No		
3. Uncertain		
IX. Have you/your staff attended any programme on IRDP. If so give details?	1	22
1. Yes		
2. No		
3. Uncertain		

X. Do you think that such a training programme will help in implementation ?	1	23
1. Yes		
2. No		
3. Uncertain		
XI. What are the IRDP problem:	1	24
a. Procedural - Selection		
1. Yes		
2. No		
3. Uncertain		
b. Difficulties in sanction	1	25
1. Yes		
2. No		
3. Uncertain		
c. Difficulties in monitoring and supervision	1	26
1. Yes		
2. No		
3. Uncertain		
d. Difficulties in recovery	1	27
1. Yes		
2. No		
3. Uncertain		
e. Attitude of beneficiaries	1	28
1. Yes		
2. No		
3. Uncertain		

f. Inter agency coordination	1	29
1. Yes		
2. No		
3. Uncertain		
g. Identification of beneficiaries	1	30
1. Yes		
2. No		
3. Uncertain		
h. Selection of viable Schemes	1	31
1. Yes		
2. No		
3. Uncertain		
i. Any other (specify)	1	32
1. Yes		
2. No		
3. Political interference from local politicians.		
4. Delay in advance release of subsidy.		
8. Uncertain.		

Beneficiary Questionnaire

## Annexure IV

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Name of the District .....

Name of the Block .....

Name of the Scheme .....

Name of the Financing Bank .....

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1. Problems in selecting scheme.

2. Problems in acquiring the assets.

3. Problems in maintaining the assets.

4. Problems in support systems such as markets, roads, hospitals, raw materials, training etc.